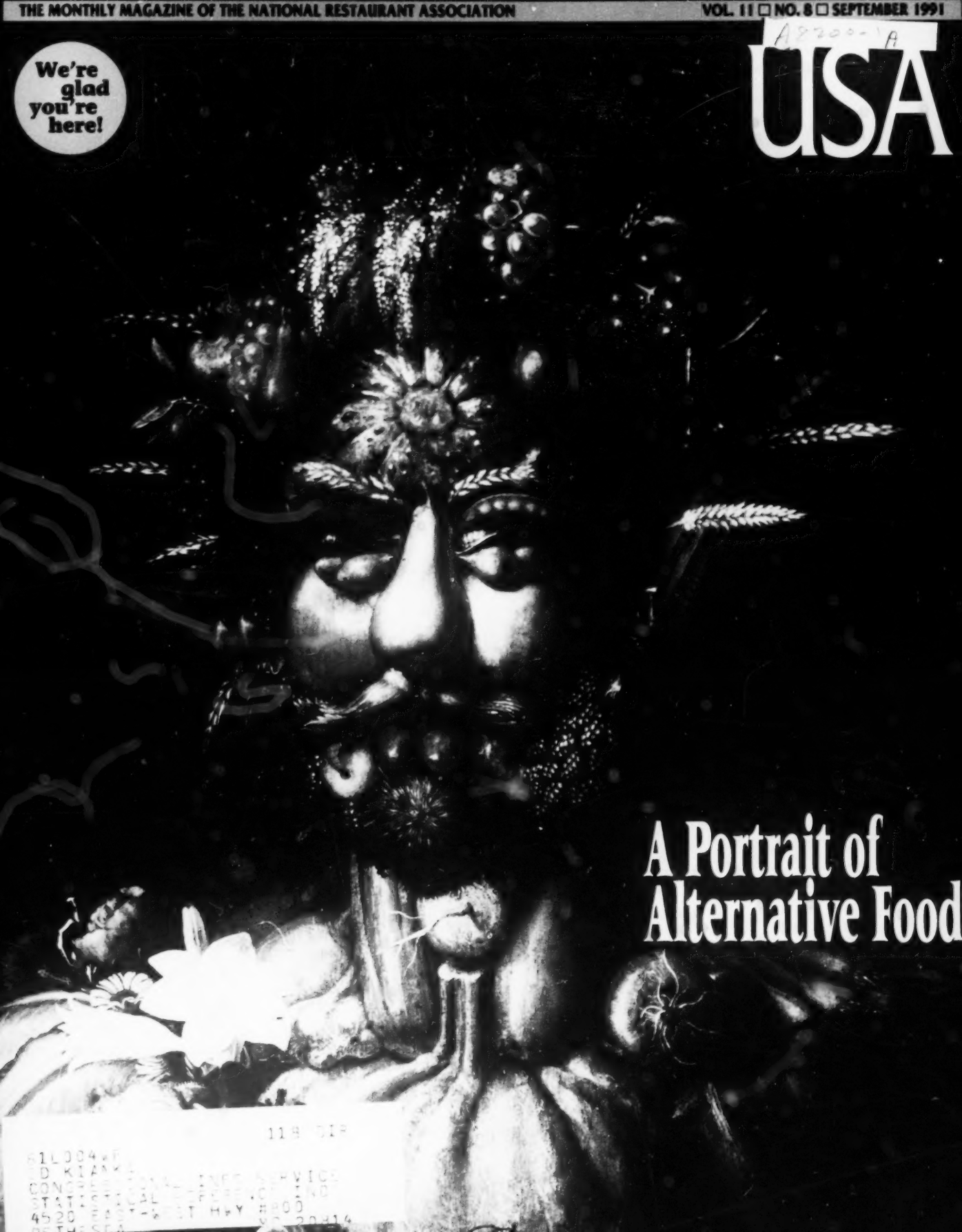
THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 11 ☐ NO. 8 ☐ SEPTEMBER 1991

We're glad you're here!

USA



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10/2–4 Cape Cod, MA

Tax Executives
10/2–4 Cape Cod, MA

Large Independent Operators
10/8–11 Philadelphia, PA

Human Resources
10/9–11 Atlanta, GA

Multiunit Architects, Engineers and Construction Officers (MAECO)
10/9–11 Atlanta, GA

Management Information Systems
10/15–18 Atlanta, GA

Marketing Executives
10/16–19 San Diego, CA

Foodservice Purchasing Managers
10/23–24 Denver, CO

Quality Assurance
10/23–25 St. Louis, MO

Multiunit Environmental Affairs Officers
11/6–8 San Diego, CA

For more information on specific study groups, contact Rosemary Curtis at (312) 853-2525.

The Executive Study Groups present semi-annual professional development programs for executives who would like to meet with their industry peers to share ideas and concerns. Executives in each of the aforementioned disciplines from member foodservice companies are welcome and encouraged to participate.

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10/8 Chicago, IL
10/28 Chicago, IL
12/3 Baltimore, MD
12/9 Chicago, IL

SEMINARS

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9/25 (full-day program)
11/19 (full-day program)

SERVSAFE/Applied Foodservice Sanitation Train the Trainer
9/30–10/2 (three-day program)

Service That Sells
10/21 (half-day program)
10/22 (half-day program)

Tips & Tools for Training
10/29 (half-day program)

Current Legal Issues
11/18 (full-day program)

Note: Unless otherwise indicated, all seminars are held in the Educational Foundation's conference center at 250 South Wacker Drive in Chicago.

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RESTAURANTS USA

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PRESIDENT'S REPORT

John R. Farquharson, president
ARASERVE, Philadelphia, PA

Public Affairs Conference 1991

Congress has returned from its monthlong summer recess and has begun to look at a host of foodservice-related issues. Mandated health benefits, teen labor and the attempt to repeal the FICA tax on tips will be hot topics of debate this fall.

These and other issues will be discussed at the 7th annual Public Affairs Conference, "Take Your Case to Congress." The event, which will run September 23–25 at the Capital Hilton Hotel in Washington DC, offers individual restaurateurs the opportunity to help boost the growing influence of the foodservice industry.

A highlight of the Public Affairs Conference is the elegant *Chef d'oeuvre* congressional reception. Open only to members of Congress and conference participants, the reception offers you a relaxed opportunity to meet the men and women who create our laws.

The conference also features face-to-face meetings with lawmakers in their offices and a chance to learn how to protect your bottom line by making your voice heard. To reserve a place at the Public Affairs Conference, contact Gay Westbrook at (800) 424-5156 or (202) 331-5915.

Number of FICA sponsors grows

The proposed repeal of the 1987 FICA tax-on-tips law will surely be a high priority at the Public Affairs Conference. Since its introduction in March, the repeal legislation has attracted more cosponsors than did our entire FICA repeal effort in the last Congress. So far, 181 members of the House and 28 Senators have agreed to cosponsor the bill.

The National Restaurant Association is aiming to attract a majority of Congress—218 representatives and 51 senators—to cosponsor repeal legislation. Your calls and letters are the most powerful ammunition that we have in knocking down this law. Keep up the good work.

Another health-care bill introduced

A third "play or pay" health-care bill has been introduced, this one by House Ways and Means Committee Chairman Dan Rostenkowski (D–IL). The bill would require employers to either provide health insurance for workers or pay a heavy payroll tax to fund a public health-care plan. The association opposes the creation of any mandated benefits and will lobby hard to defeat such proposals.

Media spotlight on association studies

A series of press releases sent out by the association's Communications department this summer has caused a stir among the national media, focusing favorable attention on the association and the foodservice industry. These press releases generated stories on the Associated Press wire, national radio networks and television outlets across the country.

One release reported a surprising 17 percent increase in bar sales at tableservice restaurants since 1987. Meanwhile, a 7 percent decline in alcohol-related traffic deaths during the same period suggests that alcohol-

awareness programs and designated-driver programs seem to be paying off.

Another press release reported on an association-sponsored Gallup poll that demonstrated a demand for vegetarian items in restaurants. The poll showed that 20 percent of American adults are likely to look for a restaurant that serves vegetarian items when they decide to eat out. (See story on page 20.)

A third release announced the association's list of guidelines for restaurants that employ teenagers. Developed in conjunction with the National Education Association, the guidelines are suggestions for restaurant operators and school officials on how to balance a teenager's academic life and job experience.

New industry operations report available

The association's *Restaurant Industry Operations Report—1991* is now available (see story page 42). The report, based on data collected from 1,270 restaurant operators, offers a wealth of useful financial and operating information.

The study gives operators a chance to compare their operation with others on important statistics such as food sales, beverage sales, cost of sales, turnover rates, average check size, analysis of employment, gross profit, controllable expenses, occupancy costs, restaurant profit and pretax income. Different categories of restaurants—from full-menu tableservice to cafeterias—are examined in the report.

SERVSAFE training goes bilingual

The popular SERVSAFE "Serving Safe Food" video training series is now available in a Spanish translation. The four-part program helps managers train employees in safe food-handling procedures. The program covers: employee health and hygiene; receiving, storing, preparing and serving food safely; and cleaning and sanitizing. The videos demonstrate important food safety practices and present information in a format that helps employees retain what they have learned.

Each SERVSAFE video includes a leader's guide to help managers direct a productive training session. For more information on special package prices, contact the Educational Foundation at (800) 765-2122.

Last month 51 new members joined the National Restaurant Association. We welcome you to the association. Your participation in our programs and your interest in our activities will help strengthen both the association and your restaurant.

Sincerely,

John Farquharson

John R. Farquharson
President and Chairman of the Board

RESTAURANTS USA

A PORTRAIT OF ALTERNATIVE FOODS

New attitudes and new food sources are giving chefs and restaurateurs new options for pleasing customers.

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French truffles have met their match in this delicious, versatile delicacy.

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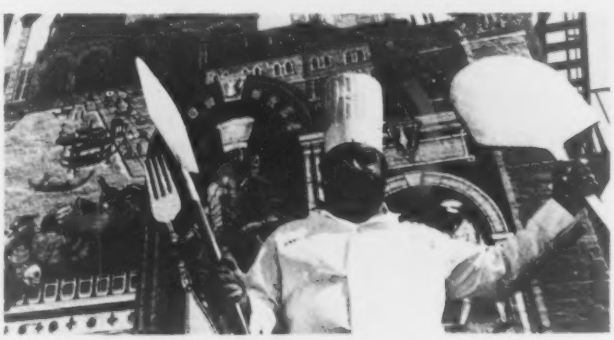
Some chefs are discovering the joys of cooking with naturally grown, chemical-free produce. But buying and preparing organics is not without its challenges.



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Cover: "Vertumnus" by Giuseppe Arcimboldo, Skokloster Castle, Sweden. Photo by Goran Schmidt.

Team USA travels to China

Members of the 1992 Culinary Team USA recently took an educational tour of China, studying food preparation techniques used by chefs with a 5,000-year history of cooking. The team members were guests of the heads of state of China at the First International Symposium on Chinese Dietetic Culture.

During this educational tour, the American chefs were treated to 10 and 12-course meals at the Great Hall and State Guest House in Beijing, and were given demonstrations on preparing dim sum, beggar's chicken, drunken shrimp and Peking duck.

The tour included stops in Hong Kong, Shanghai and Beijing. Team members sampled traditional meals from the various regions of China, such as Canton, Sichuan, Hunan and Shanghai.

The Asian method of food preparation will grow more popular in the future, according to team manager Keith Keogh. "Current trends in global cuisine are leaning toward the influence of culinary art native to Chinese and Asian cuisine," says Keogh. "We plan to take these new insights and blend them with the traditional tastes of American dishes, furthering our more practical and nutritious approach to American cuisine."

The team's trip was filmed for use in educational videos and a possible broadcast documentary. The team has tentative plans to travel to Europe next year to learn more about the classical cooking techniques of the traditional Europeans.

Keogh is also busy preparing to assume the responsibilities of his new position as president of the American Culinary Foundation, which, together with the National Restaurant Association, is a cofounder of the U.S. Culinary Team Foundation.

Culinary Team USA members learn the ancient art of food delivery in Hong Kong.

Team USA manager Keith Keogh peruses plantains at a Shanghai market.

Servers to race a California Mile

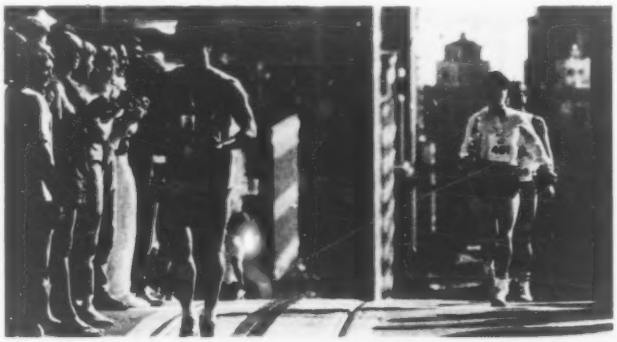
The rules of the race read like a wine steward's bad dream: Run up a steep hill while balancing a glass and bottle of red wine on a serving tray as hundreds of people look on. But in reality, the California Mile Waiters Race is part of a lighthearted day of competition to raise money for San Francisco's public high school sports programs.

On October 6, San Francisco-area restaurants and bars will sponsor participants who run a half-mile course straight up California Street. The course travels up a 300-foot grade along cable car tracks and finishes at the top of Nob Hill. Servers must cross the finish line with a tray, bottle of wine and half-filled glass intact.

The Waiters Race is part of a three-hour televised California Mile running and cycling event with 18 separate contests. Events are open to employees of restaurants, bars, hotels, clubs and foodservice-related businesses.

"It's a positive way to involve the restaurant community in a very worthwhile effort," says Janet Trefethen of race sponsor Trefethen Vineyards of Napa, California. Budget shortfalls have caused San Francisco to consider cutting some sports from public high schools.

Registration and information can be obtained by calling race director Mike Marcus at (415) 383-0314.



Servers in last year's Waiters Race reach the crest of Nob Hill and head for the finish line. On October 6, San Francisco restaurants will again sponsor servers to raise money for local high school sports.

A high-flying promotion

More than 120 pilots and flying enthusiasts landed at Brooks Field in Marshall, Michigan, and celebrated Schuler's Restaurant's Third Annual Fly-In, on Sunday, July 14.

Schuler's attracts a steady stream of pilots, and the summer celebration was created as a way for the restaurant to thank its fly-in customers. Pilots and passengers from all over the Midwest were met at the airstrip and transported in a courtesy van to Schuler's for brunch.

Each Fly-In participant received a Schuler's embroidered flying patch and was eligible for prizes such as dinner for two at Schuler's and overnight accommodations at the National House Inn in Marshall.

The event drew many local residents to the airstrip to watch the planes land. The surprise of the day was the arrival of two World War II Navy T-28 jet aircraft that flew in from the Detroit area.

"Our third Fly-In was our most successful ever," said Marge Hakes, general manager of Schuler's in Marshall.

Schuler's Restaurant assistant manager David Graveline (right) welcomes pilots to the restaurant's Fly-In celebration.

Disability plan available to members

National Restaurant Association members now have the opportunity to take advantage of a group disability income plan.

Members under the age of 60 who have been actively working full-time (30 hours per week or more) for the past 90 days and who have not been hospitalized in the past six months are eligible for this coverage.

If disabled, participating members would receive a monthly benefit for up to five full years when disabled by a covered accident and up to one full year when disabled by a covered illness.

This coverage pays in addition to any other insurance, including Social Security and worker's compensation, as long as total benefits do not exceed 70 percent of the covered person's monthly salary, exclusive of bonuses and overtime pay. The policy may be returned within 30 days for a refund if a member is not satisfied.

Complete information regarding the association's Group Disability Income Plan will be mailed to members soon. For more information, contact the insurance administrator, Albert H. Wohlers and Co., Group Insurance Plans, 1440 N. Northwest Highway, Park Ridge, Illinois 60068. Or call (800) 323-2106 or (708) 803-3100.

Don't dump it, donate it

What can you do with those paper plates and cups you never got to use, the table linens that arrived in the wrong color or the extra tiles from the new patio floor? You don't want to toss them in the garbage, so you could donate them to the National Association for the Exchange of Industrial Resources (NAEIR)—and receive a federal tax deduction.

Potential donors give NAEIR a list of the items they wish to give away. Generally, NAEIR prefers new merchandise or slightly used items. The potential donor is then notified within 48 hours as to whether the donation is acceptable.

Donors must pay for shipping the items to the NAEIR's warehouse in Galesburg, Illinois, but this expense is also tax deductible. Then NAEIR sends tax documentation within 14 days that will make the company eligible for the deduction.

Among the items sought are computers, paper products, cleaning supplies, tableware, clothing, books, arts and crafts supplies, dishes, bathroom fixtures and furniture. These materials are redistributed to 7,000 organizations such as schools, camps, hospitals, churches, nursing homes and social service programs.

For more information on making a donation to NAEIR, contact them at 560 McClure Street, Galesburg, Illinois 61401 or call (309) 343-0704.

FEEDBACK

Training update

The producer of the training video mentioned in the article "The Power of Employee Training" in the August 1991 issue of ***Restaurants USA*** was not identified correctly.

The video, entitled "The Service Paradox," was produced by Pittsburgh Production Group and may be purchased through the National Restaurant Association at (800) 424-5156.

Address your comments about ***Restaurants USA*** and current foodservice issues to: ***Restaurants USA*** Feedback, National Restaurant Association, 1200 Seventeenth Street, NW, Washington DC 20036. Submissions may be edited for length.

Teen labor: Restaurant associations powwow to share ideas

State restaurant association executives, National Restaurant Association staff and officials from the Department of Labor, the U.S. Congress and the Tennessee Department of Labor met recently in Nashville, Tennessee, to discuss the positive programs that foodservice organizations are developing to improve the industry's reputation as a youth employer.

Ed Lump, co-chair of the ISRAE/National Restaurant Association Child Labor Task Force and executive vice president of the Wisconsin Restaurant Association (WRA) said that the conference was important because of the larger social issues surrounding the development of the nation's youth. "As employers of young people, we need to go beyond what is merely required by law, toward providing a quality work experience that enhances the educational experience," Lump said. To do so, Lump said that state associations should share what they are doing to achieve these goals.

The threatening legislative climate has led to some innovative teen-labor programs by state associations.

Task force co-chair Mark Gorman, the senior director of government affairs for the National Restaurant Association, agreed that the potentially threatening legislative climate on the state and federal levels has led to the creation of some innovative proactive programs on the part of state restaurant associations.

Cooperation with state agencies

On the first day of the conference, state association speakers discussed the benefits of working closely with state agencies when attempting to revise teen-labor laws.

John Livengood, executive vice president of the Indiana Restaurant Association (IRA), said that his association mobilized when it was forced to mount a defensive campaign against a 1989 child-labor bill that was introduced by two legislators who were also teachers. A coalition of chain-restaurant government affairs representatives joined with the association to oppose the 1989 bill. The groups worked together to draft 1990 legislation that benefited both employers and employees. With the help of a state Department of Labor official's technical expertise, a successful bill was developed.

"We have a long-standing relationship with our Department of Labor, and their help with this was consistent with our good relations," Livengood said.

Education first

In response to the less favorable parts of the bill, including the newly granted right of schools to revoke work permits and the new permit requirement for 17-year-olds, the IRA developed one of the industry's most creative approaches to youth employment: the "Education First" program.

The voluntary "Education First" program asks that participating restaurateurs gather parental permission slips before hiring young workers and send notices of employment to the workers' schools. Employers pledge to schedule work hours flexibly to better accommodate students' school workload.

Wisconsin Restaurant Association executive Lump told the group about the alliance between his state's restaurant association and the Wisconsin Department of Public Instruction. Together, they formed a task force on youth employment that included traditional industry foes such as the Congress of Parents and Teachers and the Wisconsin State AFL-CIO.

"As employers of young people, we need to go beyond what is merely required by law."

—Ed Lump, co-chairman, child labor task force

The WRA has pursued the employer-awareness aspect of the child-labor issue through a modified version of Indiana's "Education First" program. Sally Scott, who handles the program for the WRA, said the association has put together a long list of contacts for information and publicity that could help participating members. The association also developed other materials, such as invitations to parents for job-site visits, that make the program as "user-friendly as possible," said Scott.

Pete Meersman, executive director of the Colorado Restaurant Association, told the group about his state's plan to implement an "Education First" program through its Education Foundation with the help of a commercial sponsor.

Also presented on the first day of the conference were updates of federal and state child-labor legislative action, given by National Restaurant Association staff members.

Representatives from various governmental agencies and offices filled the second day's agenda with updates on federal regulatory actions, federal legislative actions and the state regulatory outlook. Also included on the second day's agenda was a speech by Dick Rivera, the president and CEO of TGI Friday's, based in Dallas. Rivera discussed the importance of preparing children for valuable adult work experiences through education and employment. Rivera is a member of the U.S. Department of Labor's Secretary's Commission on Achieving Necessary Skills (SCANS).

Conference attendees benefited from the positive atmosphere and energy of the speakers. "Participants left the conference with a realization of what industry associations need to do to provide a work experience that complements and enhances a student's education," said Lump.

—Linda Way

IRS tip audits spark FICA friction

It's every restaurant operator's nightmare. The Internal Revenue Service (IRS) audits you. You are confident you have paid all the taxes you owe, but the IRS says you owe tens of thousands of dollars in back payroll taxes. Out the window go plans for kitchen maintenance, hiring new employees or otherwise making use of your slim profit margin.

According to reports from restaurateurs in Las Vegas and Reno, Nevada, and Orlando, Florida, IRS agents have recently begun to exploit a lucrative source of revenue in restaurant audits—the 1987 law that requires employers to pay Social Security (FICA) payroll taxes on all employee tips.

In a new twist on IRS collection procedures, tax agents now appear to be going first to *employers* to collect unpaid FICA taxes on tip income that employees never reported—but that the IRS says should have been reported.

Such was the case with Hacienda del Sol, a Mexican restaurant in Reno. The IRS audited the restaurant for tax years 1988 and 1989. According to IRS auditors' estimates, the restaurant's 25 tipped workers earned more in tips than they had reported.

The IRS told the surprised owners that the 60-employee restaurant should have paid at least $10,000 more per year in FICA taxes because of employee underreporting.

Good faith not good enough, says IRS

Hacienda del Sol is now disputing not only the IRS's method of estimating tip rates but the agency's attempt to collect employer FICA taxes on unreported income.

"There's something very wrong there," says Joe Lanza, president of the partnership that operates Hacienda del Sol and five other restaurants in California and Nevada. "We can only pay taxes on tips employees report, but the IRS wants us to pay FICA on how much it estimates our employees earned. That puts us in jeopardy for back taxes that we never could have prepared for."

Cathy Welch, general manager of Hacienda del Sol, says the restaurant posts notices explaining tip-reporting laws, includes tip-reporting information in its orientation packet for new hires and supplies employees with IRS tip-reporting forms.

"We did everything we could to comply with the law," says Lanza. "We told our employees to report their tips, paid the tax that was due and kept records of reported tips. Normally that's all you need to do. But now the IRS is coming back a year or so later and saying I owe $10,000 more a year. That could put a small restaurant owner out of business."

Restaurants are attractive targets

Gene Petersen, group manager for the IRS district office in Las Vegas, admits that Congress's 1987 FICA tax-on-tips law has made audits of establishments that employ tipped workers "extremely substantial in terms of dollars" and thus worth the IRS's time, especially in investigating casinos and relatively large restaurants.

Jeffrey B. Ross

Hacienda del Sol partner Barry Rivlin felt the pain of a recent FICA-tax sting. The restaurant company is disputing the IRS's methods.

Restaurateurs have argued since 1987 that Congress never should have imposed a payroll tax on non-payroll dollars. The recent reports of IRS audits, however, confirm the industry's worst fears about the law's unfairness: that the 1987 law gives the IRS an incentive to go after restaurants, to make widespread generalizations about tip rates in these establishments, and then to stick employers with large bills for unpaid FICA taxes based on allegedly unreported tips—even before the agency plods through case-by-case audits to verify whether individual employees actually underreported tips.

Until the FICA tax-on-tips law took effect on January 1, 1988, employers paid FICA taxes on cash wages and tips up to the minimum wage. Under current law, the IRS has the authority to collect FICA taxes on *all* tips—whether employees report them or not. The National Restaurant Association is now engaged in an all-out battle in Congress to repeal the law, which has cost restaurateurs an estimated $800 million in higher payroll taxes since 1988 and now appears to be subjecting them to even more liability.

IRS uses employer records to estimate tips

IRS audit procedures are fairly routine in these cases. According to Petersen, who has managed several recent tip audits in his Las Vegas district, agents examine a restaurant's credit-card receipts and tax forms, including Form 8027, *Employer's Annual Information Return of Tip Income and Allocated Tips*, and Form 941, *Employer's Quarterly Federal Tax Return*.

Using figures from these forms on a restaurant's sales, total reported tips, charge tips and charge sales, the IRS estimates what the agency feels are actual tipping rates. The agency then uses these estimates to decide whether employees underreported tip income and whether employers should have been paying FICA taxes on more tips.

Hitting the tourist areas

Restaurants in central Florida have been singled out for audits similar to those going on in Nevada.

Terry Wood, chief of the collection division in the IRS's Orlando branch, says that in January 1991 IRS investigators selected 10 restaurants to audit. With examinations of nine of the 10 restaurants complete in June 1991, the IRS announced that the audits of restaurant records had uncovered more than $800,000 in unreported tips, averaging more than $90,000 per restaurant.

The IRS says it assessed an average of $6,800 in additional FICA taxes on each restaurant because of alleged unreported tips. Wood says the IRS is now going to individual employ-

ees to collect back income and payroll taxes based on the IRS's tip-income estimates.

Wood says the IRS targeted Orlando operators because the tourism-driven city has many restaurants and because the IRS suspected a problem with tip reporting. IRS officials in Nevada concur that the busy tourism industries in Las Vegas and Reno, combined with the agency's ongoing concern about inaccurate tip reporting, led them to target restaurants for audits.

Wood says the 10 Florida restaurants were selected at random, with a bias toward those with a capacity of more than 100 persons. Petersen says the IRS in Nevada selects restaurants based on a computer analysis of tax forms to identify establishments that "deviate from the norm" in tip reporting.

Several restaurateurs involved in the IRS stings were reluctant to comment on their situation out of fear that the IRS might take further action against them.

The problem could move beyond Florida and Nevada. "IRS offices could do a tip project of this nature anywhere in the country," says Wood. The IRS's 63 district offices around the country can initiate projects to enforce whatever sections of the tax code local officials deem to need special attention. Petersen reports that IRS officials in Colorado and California have expressed interest in following the Nevada and Florida models for taxing unreported tips.

Whose responsibility is tip reporting?

In 1982 Congress passed a law known as TEFRA that stepped up tip-reporting requirements for both employers and employees in an attempt to get employees to report tips more accurately.

By increasing the amount of information that tipped establishments were required to provide to the government, Congress intended the 1982 law to help the IRS flag *employees* who underreport tips.

But now, lured by potential revenue generated by the 1987 FICA tax-on-tips law, the IRS is using the records required by the 1982 law to get at *employers* for back FICA taxes on tips that employees never reported.

Accurate tip reporting, however, depends solely on employees. An operator may sense something is amiss when an employee with $300 in sales during a dinner shift reports tips of $5. But no matter how much the employer advises the employee to report all tips, the employee alone decides how much he or she will report.

If employees decide to report less than they earned (taking the chance that the IRS won't audit them), employers have no choice but to trust the employees' signed statement of tip earnings and to pay FICA taxes accordingly. "If an employee doesn't declare a tip, how can the employer pay the FICA tax on it?" asks Welch.

Dick Johnson, general counsel for the National Restaurant Association, agrees that employers have no obligation to police employees' tip reports: "An employer can't force employees to report tips—not even with a baseball bat. Although the 1987 law clearly makes employers liable for FICA tax on *all* tips, the employer has absolutely no legal responsibility to make sure employees report their tips."

"If an employee doesn't declare a tip, how can the employer pay the FICA tax on it?"

Cathy Welch, general manager, Hacienda del Sol

IRS sees employers as police

But that's not how local IRS officials see it. Petersen contends that "the only way for the employer to prevent [being assessed back FICA taxes on unreported tips] is for the employer to require employees to report all their tips."

Petersen argues that operators should train employees to report tips accurately, keep an eye out for people who seem to be underreporting and discipline those who refuse to comply. "You shouldn't be satisfied with an employee who doesn't come into compliance," says Petersen.

"That is a perfect example of IRS intimidation," retorts Cathy Welch. "The law does not say, 'You are a police agent who must make sure that every employee reports every dollar they earn in tips.' You would be calling your employee a liar! Unless you saw exactly what came right off the tables, you can't know. What's next? Should we post a security guard to see what tips are coming off the tables?"

Industry pushes for fairness

After hearing complaints from restaurateurs in Florida and Nevada about the IRS tip stings, the National Restaurant Association and representatives of Nevada casinos (which have been the target of IRS tip audits since 1982) met with staff members of the U.S. House Ways and Means Committee, the committee that deals with tax issues, to ask for Congress to intervene to stop the IRS from overstepping its bounds.

Rep. Dan Rostenkowski (D–IL), chairman of the committee, recently wrote a letter to IRS Commissioner Fred Goldberg urging him to look into the regional IRS investigations and questioning whether IRS agents can make employers pay back FICA taxes on tips without first obtaining a definite assessment of tip income by auditing employees. Goldberg has yet to respond to Rostenkowski's letter.

Perhaps the restaurant industry's best weapon in combating such unfair audits is repealing the IRS's incentive for making such audits: the FICA tax-on-tips law. So far, restaurateurs have collected 181 cosponsors in the U.S. House of Representatives and 28 members of the U.S. Senate for H.R. 1472 and S. 765, the two bills that would restore pre-1988 law. The National Restaurant Association is working on building cosponsor lists even more.

For more information on how you can help repeal the law, contact Patti Stinger in the association's lobbying department at (800) 424-5156 or (202) 331-5953. Or write to your elected officials c/o the U.S. Senate, Washington DC 20510 or the U.S. House of Representatives, Washington DC 20515.

—Andrew McLauchlin

RESTAURATEURS WALK OFF WITH SBA AWARDS

There's no business like small business, and these two award-winners are among the best.

by Pat DiDomenico

The owners of City Bites restaurants of Oklahoma City and the owners of Port of Subs, Inc., of Reno, Nevada, have been singled out this year as the top small business owners in their states. As part of national Small Business Week, sponsored by the U.S. Small Business Administration (SBA), these and other state winners came to Washington DC to accept their awards and to vie for the national small-business award.

The SBA's annual awards are a showcase for the top businessmen and businesswomen who use their entrepreneurial spirit to develop a small business into a larger, more successful one.

As the owners of City Bites and Port of Subs can confirm, winning Small Business Person of the Year for their respective states has given an added boost to their businesses. Being able to market themselves as the top small business in their states will undoubtedly attract new guests (and perhaps new investors and franchisees) to their restaurants.

Deadline approaching for 1992 nominations

In 1992, the awards will again be the highlight of National Small Business Week, running next year from May 10 to 16. To be considered for an award, nominations must be delivered no later than November 5, 1991, to the nearest district office of the U.S. Small Business Administration. (For nominating procedure, see sidebar.)

The following are profiles of the two restaurant winners among the state Small Business Person of the Year awards.

Port of Subs

Although award-winners John and Patricia Larsen have followed a traditional path to restaurant success, their achievement is remarkable.

When the Larsens purchased Port of Subs in 1975, there were only two stores, and annual sales were $350,000. By 1985, the 10-store company was generating $2 million in sales.

It was in that year that the Reno-based company was restructured to become a franchising operation. Today, 65 stores employ more than 375 workers and generate an impressive $16 million to $17 million in sales each year. Port of Subs restaurants are located in Nevada, Arizona, California and Washington. Nine stores continue to be company-owned.

"Realize that you're going to work harder in this business than you ever have in your life. There are no other keys to success than common sense and hard work."

—John Larsen, SBA award winner

According to CEO John Larsen, being awarded Nevada's Small Business Person of the Year has already given Port of Subs added credibility and a range of business opportunities.

"I've had more franchise inquiries in the last few months than I've ever experienced. People are looking for honesty and integrity in a franchise. I'd say this award helped our integrity status," explains Larsen.

Port of Subs plans to add 12 to 15 more units this year in keeping with its ongoing expansion. In upcoming years, Larsen says he expects the number of new units to grow annually by 20 percent. He plans to keep the franchise centered in the currently prosperous areas of the Southwest and the Pacific Northwest. It also doesn't hurt that Port of Subs' home state, Nevada, is now the fastest-growing state in the country.

"We're based on old-fashioned conservative business principles. We don't want to grow too fast," explains Larsen.

"Our philosophy has always been to sell only as many units as we can run successfully," says Larsen. So far, only three of the 65 Port of Subs units have failed.

Much of the restaurant's success can be traced back to management style. Larsen and all his executives are "in the field" between seven and 10 days each month, providing counseling to managers and owners at each store.

City Bites, Inc.

What do a charging rhinoceros, a

five-ton wrecking ball, trick mirrors and a great sandwich have in common?

All are found at City Bites restaurants, a handful of Oklahoma City-area restaurants that even cofounder Brad Blevins admits "are a little bit weird." But in the restaurant business, an unconventional concept often means success. And, in this case, success has led to recognition.

Don't even bother asking co-owners Gary, Brad, Eric or Mark Blevins where the name City Bites originated. Just like many other aspects of the five-year-old business, part of the attraction is that the name defies explanation. "It's just two words put together," explain the owners.

The counter-service sandwich restaurant was nominated for the national business award by a group from the Canadian Valley Vocational College of Oklahoma City. This is the second consecutive year that City Bites was nominated.

The restaurant is currently experiencing tremendous success as the owners continue their slow-growth strategy. Five years ago, controlling runaway growth was the last thing the Blevins brothers had to worry about.

In 1986, they started their first 800-square-foot neighborhood sandwich shop with financing help from their grandmother. During the first year, some of the brothers worked landscaping jobs to keep up an income. But by stressing product quality, service and their unusual atmosphere, the word about City Bites began to spread.

"We operate strictly on a word-of-mouth basis. Our advertising budget is next to nothing," says Brad Blevins, who handles art and construction with his brother, Gary.

With annual eat-in and carryout sales of more than $1 million, the company expects to be constantly growing. Jack Blevins, the father of the owners, remains as the president of the company, but the concepts come from Jack's sons.

In July 1991, City Bites opened a fourth location in the Oklahoma City area. The owners hope to have at least eight restaurants in the Oklahoma City area before attempting to capture the market in another state, probably Texas or Colorado. Since receiving the Small Business Administration award, franchise offers have come in at a quicker pace. City Bites has had offers from all 50 states. For now, though, City Bites is concentrating on controlled quality.

"There are only a couple of things that a restaurant like ours can do to be different," says Brad Blevins. "You can have a different bread, and you can provide better service."

The Blevins brothers don't do anything halfway. To create a quality French baguette, they helped arrange U.S. citizenship for a French pastry chef to bake their exclusive bread. City Bites now has its own bakery that stocks all of the restaurants with fresh bread and dessert pastries twice daily. In addition to the popular pastry line, the more than 60 employees make hot and cold sandwiches in front of the customers and also offer soups and salads.

Their next trick was to create an eating area that excited the senses. Their "no-theme theme" means that each City Bites restaurant looks different—yet equally bizarre. Some features of the restaurants' off-beat decor include images such as a five-ton wrecking ball smashing through a window, broken columns that don't seem to hold up the ceiling, a full-sized rhinoceros crashing through a front wall, neon colors that seem to flow from cracks in the wall, several fire hydrants, a barber pole and the ever-popular trick mirrors that allow patrons in the bathrooms to look out over the dining area.

"There's no way to describe it. It's unlike anything you've ever seen. You just have to experience it yourself," explains Brad Blevins. Like many of his regular customers, Brad consistently talks about "experiencing" the restaurant, instead of merely enjoying a meal there. ❑

Pat DiDomenico is a communications specialist at the National Restaurant Association.

How to enter the small-business awards competition

What: Since 1963, the U.S. Small Business Administration (SBA) has annually honored one person from each state to compete for Small Business Person of the Year. The winners are picked from nominees. State winners then compete for regional awards in each of the SBA's 10 regions and then for the national award. The national winner, and 11 other U.S. business awards, will be announced during a ceremony held during Small Business Week, May 10–16, 1992, in Washington DC.

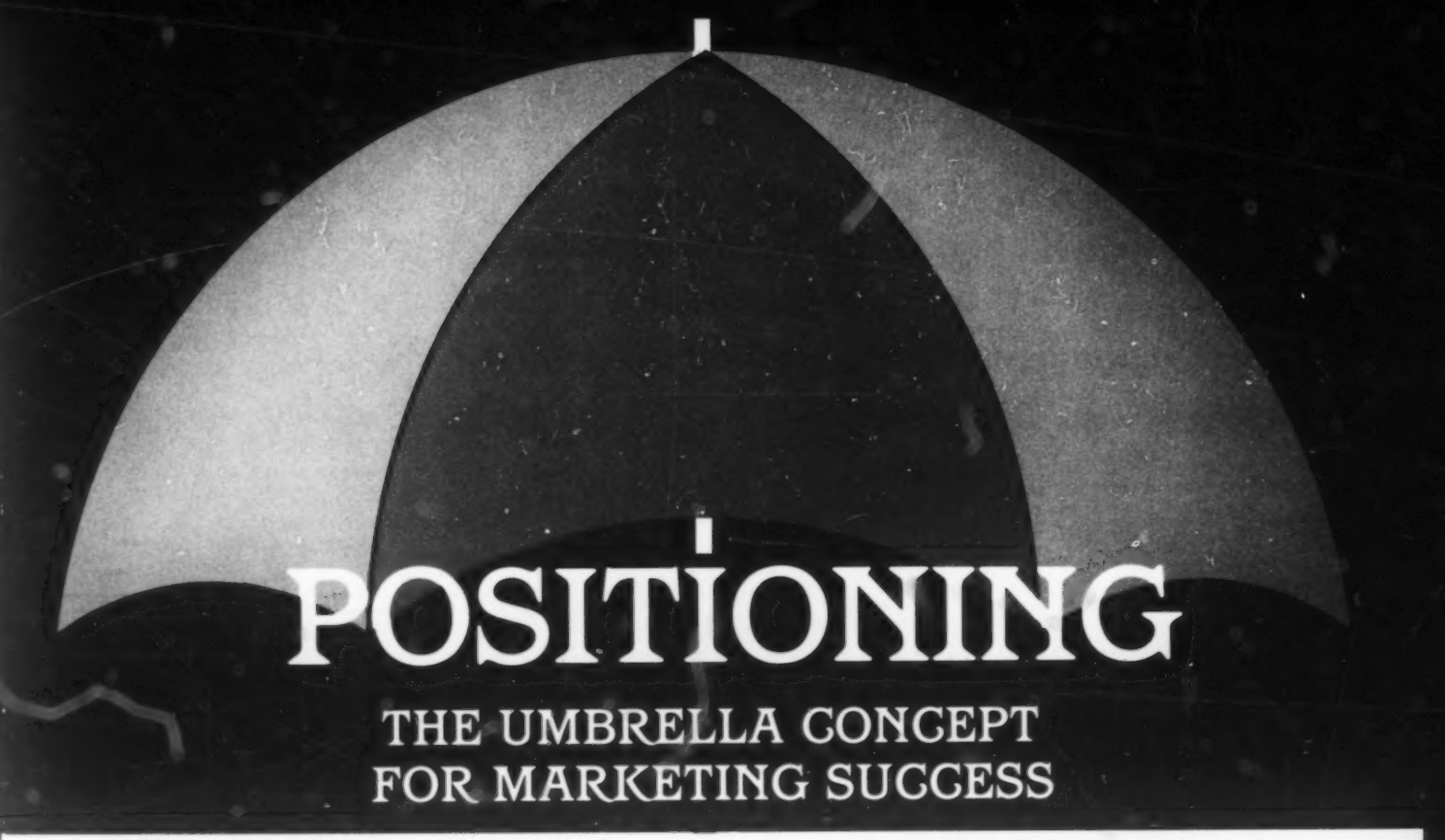
Who nominates candidates: Nominations may come from any organization or individual dedicated to the support of the local small-business community, including trade and professional associations and business organizations. Nominations often come from local chamber of commerce groups.

How to nominate a business: Nominations must be typed on 8½-by-11-inch paper and sent to the nearest SBA district office. The address of your district office and more award information is available by calling the SBA at (800) 827-5722. Nomination packets must include the nominee's (and nominator's) name, title, address and telephone number; the name of the award for which the nomination is being made; a one-paragraph description of the business; a statement of the nominee's merit for the award; details of the nominee's qualifications; a photograph of the nominee and business; a completed SBA Form 898 (available at a district office) and any additional data to support nominations.

Evaluation criteria: The criteria for winning Small Business Person of the Year include staying power, growth in number of employees, increases in sales, innovativeness of product or services offered, response to adversity and contributions to the community.

Deadline: Nominations must be delivered to district offices *no later than November 5, 1991.*

Award categories: In addition to Small Business Person of the Year, 11 other top national honors will be awarded, including Young Entrepreneurs, Entrepreneurial Success, Minority Small Business Advocate and Veteran Small Business Advocate.



POSITIONING

THE UMBRELLA CONCEPT FOR MARKETING SUCCESS

Positioning is the set of attitudes, perceptions and beliefs that your very best customer has about your restaurant. Stay on top of shaping those perceptions, and you'll have a powerful marketing tool.

by Linda Tobey

There are just three rules for establishing proper positioning in the restaurant marketplace. The rules seem simple, but in practice they may be tough to carry out.

The first rule of positioning is to *stay focused*. Once you determine what your positioning is, stick with it. Let's say you have determined that you want casual dining concepts, and you succeed with a Mexican restaurant and an Italian restaurant. Don't automatically go into fine dining and assume that you can do just as well. Stay focused.

The next rule is to *think long-term* with your positioning. You may tire of your marketing position simply because you were there when you gave birth to the concept. If it took a month or two—or even longer—to come up with your marketing strategy, then by the time your message reaches the marketplace, you may be tired of it. But you can't be fickle with your positioning.

Why? Because communicating your positioning to consumers takes time. At the very beginning, customers have zero awareness of your restaurant. Once you get that awareness, then you work for a first visit.

During that first trial, you have to confirm all the perceptions and attitudes that you worked so hard to establish during the awareness phase in order to build repeat visits. Then, you'll win good customers who hit a pattern of repeat purchases.

This trial-repeat process takes time. It doesn't happen in one month, two months or even six months. This repeat pattern may take a year or even five years to achieve. So even when you're sick to death of your positioning, it's important that you stick with it.

This has implications for your positioning. If your positioning may not change for five years, then you'd better choose a base or foundation that is so strong that you're going to be able to live with it for a long time. Does this mean you can't have new menu items? Of course not. But those new menu items must be consistent with the positioning you've set up.

And that brings us to the third rule of positioning: *be disciplined*. You must be consistent.

For example, consider what would happen if Denny's, which has worked very hard to establish a position as a family-style, inexpensive and accessible place to eat, started offering a candlelight lobster dinner. Would you rush out to Denny's? No. Why? Because it is not consistent with the positioning they have developed so successfully.

Discipline also has to do with your waitstaff: how they dress, how they greet people, how fast they serve. These decisions all must be consistent with your positioning. And what music are you playing in your restaurant? If you have a fine-dining establishment, you're not going to play rock and roll music and dress your staff in tennis shoes.

The components of positioning

Let's take a look at the components of positioning. There are three.

The first component of your positioning is your *benefit*. The benefit is probably what allowed you to get your restaurant started in the first place.

If you want to change your target audience, you'll have to change your product—and you might alienate current patrons.

Benefits are different from features. Features are the statistics about your restaurant: how many tables you have, which meals you serve, etc. Benefits are the result of having those features. For example, the result of having the feature "seats 50 people" is an intimate, romantic setting.

Benefits are emotional. Do you save people money? That's a strong benefit. Do you create fun at your place? That's a benefit.

The benefit is what you use to pull people into your concept. Think of your benefit as the reason people will come to your place that no one else can offer. You want your restaurant's benefit to customers to be unique.

Start defining your positioning by jotting down your restaurant's features and then its benefits. List them all. Put a star by the one that stands out. That's your key benefit.

Your target audience

The second component of positioning is your *target audience*. Quite simply, you must know your specific target audience. Restaurateurs often say, "We target everybody." But it's very hard for you to communicate with "everybody."

You may say, "We target women 18 to 25 years old." But there are all kinds of women with all kinds of attitudes between the years of 18 and 25. Some are college students; some didn't finish high school. Some have children—lifestyles for people in these groups are going to be very different. So consider more than just the demographics of your target market.

An important element of your target market is disposable income. How much do your customers have to spend at your restaurant?

If people love to travel and that's who you're trying to attract to your hotel, that's great. But if your guests hate to travel, and they're at your hotel because they have to be there, then we're talking about different attitudes altogether—and a different way of handling the menu and the service.

If you're in fast food, think about your target market. Are customers eating at your place because they're teenagers and it's a cool place to be seen? Or are they businesspeople with 15 minutes for lunch who want that hamburger just shot into their mouths as they drive through? These are very different attitudes and target markets, and you may need a very different product and a very different menu as a result.

It's also good to know what media your target market uses. Although that may sound technical, it's important to know that if you're trying to reach working people, for example, you shouldn't advertise on daytime soap operas.

Sometimes you may target users of your restaurant, and sometimes you may target nonusers. Let's say you have a fast food restaurant that's in a very dense area of businesses. Although the normal radius for a fast food restaurant may be 2½ miles, for this particular store the radius is only five or six blocks because it's such a dense area and you have lots of competition.

If you feel you have saturated the radius around your store, then it is possible that you want to target nonusers outside of your radius.

How well do you provide the benefit that is sought by your target market? Consider McDonald's, a company that has brilliantly marketed using the notion of purchase influence. Purchase influence refers to when there's actually somebody other than the purchaser who helps make the decision. This is what happens when a 6 to 12-year-old kid says, "Mom, Dad, take me to McDonald's." So the benefit actually sought by the target audience (the parent) is to please the child. McDonald's sells a kid-happy experience: Ronald McDonald, Happy Meals, playgrounds. It all adds up to a successful way to draw children—and their parents.

Now you may be wondering, "How the heck am I going to know if my positioning is right?" You can conduct inexpensive in-store surveys—even if it's just five questions. Give people incentives to participate. Give a free soft drink to those who will complete a survey. If you don't offer an incentive, you may only get responses from people who are angry (people who say, "I can't believe your restaurant exists, it is so bad"). And you may get only people on the other end of the scale ("this meal experience was like droplets from heaven"). People usually have to wait for some amount of time to get their food, so the chance to get a free drink for filling out a form may appeal to customers.

If you find that your typical responses are skewed, you may want to consider moving outside the restaurant location to do the survey.

Again consider fast food and target markets. Taco Bell is a good example of a company that is disciplined with its positioning. What is Taco Bell's target audience? Certainly a part of its target audience is teens. What kind of teens? Fun, loose, cool teens—they had a big television commercial campaign with M.C. Hammer, the rap artist, for example. Taco Bell's parent company, PepsiCo, has made a huge living targeting teens: Frito-Lay products, Taco Bell and Pepsi are all targeted to teens. Why? Because PepsiCo realizes that if you can establish a level of brand loyalty with teenagers, they will grow up with your business.

Look through magazines and see if you can pull out pictures of people who are in your target audience. Be able to point out a person on the street who is a member of your target audience. Be able to describe how that person lives. What excites the person? Why would that person want to come to your restaurant?

Now what about changing your target audience? What if you have a customer base of adults 21 to 40 years old and you serve subs, soups and salads. You decide you want to attract teenagers. If you want to change your target audience and your user group, then you're going to have to change your product. Because, on

the surface, subs, soups and salads are not going to appeal to teens as much as a 39-cent taco. You're going to have to create an atmosphere that's more conducive to teenagers and recognize that, if you do, you could alienate some of your adult patrons.

Practice your skills at developing positioning. Advertising is one of the very best expressions of positioning to study. You can do a lot of work at home learning about positioning by watching television. When commercials come on, turn up the volume and test yourself on the positioning that is being communicated. What's the benefit? Who are they targeting? Does it appeal to you? If not, you're probably not in the target audience.

Consider the competition

The third component of positioning is your *competition*.

First of all, think what would happen if your restaurant did not exist. Would people quit eating out? Probably not, unless you're in a very small town and you have the only restaurant in town. Otherwise, you should probably be brushing up on the competition.

Keep a file on your competitors. Clip their ads, get a copy of their annual reports, eat at their restaurants and see what it's like to be one of their customers. Learn about your competitors and then make sure your employees know about them, too.

Look at the competition and make a list of the benefits they provide to customers and who they are targeting. Remember you want your benefit to be unique to your place. And ideally your target audience would be different, too. But it may be that you share a target audience.

Also, you must be prepared for a new competitor entering the market and communicating the same benefit that you offer to your customers. In that case, shift the benefit that you use so that you continue to differentiate your operation.

What happens if you've targeted teens for years, and then the teens in your area grow up? You may want to shift some elements of your positioning message so that you're still talking to the same people. Since they are older now than when you first targeted them, their values may be different.

As the world changes, your positioning components may change. But your overall positioning needs to stay the same. The feeling, the attitudes and the perceptions that people have about your restaurant need to be consistent, even if the benefit you communicate and the target audience you communicate to changes.

Positioning is an umbrella concept for your entire marketing process. Once you have your positioning established, all kinds of opportunities are going to fall out of your umbrella: product opportunities, menu opportunities and menu pricing, for example.

The 30-second test

When you put all these ideas together successfully, you should be able to take "the 30-second test." The next time you meet someone at a party or at a trade show and the person asks, "What do you do?" or "What's your operation like?" you should be able to introduce yourself and offer your positioning statement—in 30 seconds or less. (After all, you have only about 30 seconds to make a first impression.) Then, that person should have a good sense of what it would be like to come to your restaurant or hotel. As simple as it seems, this 30-second positioning statement can be a powerful image-shaping tool.

Once you have this statement, then you can also write a positioning document that goes into detail about your benefits, your target audience and your competition. Then, for example, when it's time for you to design a direct mail piece and the designer you're working with needs to know what your business is all about, you will be able to hand the person that simple document.

You've probably been in that situation before and not been able to get across the ideas in your head. This positioning document will keep that from happening.

Positioning also gives you another powerful tool: the opportunity to say no gracefully. How many times has a vendor come to you with an idea "guaranteed to boost business." When you're skeptical, check the product idea or equipment idea against your positioning statement. Does it fit? If not, then you can quickly say, "No thanks, it's not quite right for my business."

Your positioning statement also gives you a powerful tool: the opportunity to say no.

Or say a salesperson from a Top-40 radio station calls and says, "You just have to advertise on our station." With your positioning statement in hand, you can say, "I'm sorry, but I target working men who have families at home, and they don't listen to your station."

The same is true for charitable organizations. You can't give to them all, and yet it seems that someone is always asking for money, free meals, passes and other giveaways. Although all the organizations may be great, if they are not consistent with your positioning, then you should probably graciously tell them no.

Keep in mind that you are not going to come up with your positioning statement overnight. It takes time. Ideas may hit you as you're walking down the street or when you're taking a shower. When these breakthrough thoughts happen, be sure to write them down.

When you put together your next marketing plan based on your positioning statement, you'll find that you're going to have a more profitable business. You're going to introduce the right menu items. You're going to price your products right. You're going to package your product right. You're going to promote for a reason—not just because somebody came and bugged you about it. ❑

This article was adapted from a speech given by Linda Tobey at the 1991 National Restaurant Association Show. She is a marketing consultant and speaker in Seattle.

PLATING VEGETARIAN ENTREES

No longer for vegetarians only, they're also a hit with customers who just want to eat lighter.

by Toni Lydecker

Trying to get a cholesterol problem under control several years ago, chef and restaurateur Marcel Desaulniers decided to cut meat out of his diet. With his interest in vegetarian dishes piqued, he began to experiment with vegetarian entrees, offering those he liked best to customers at The Trellis, the restaurant he co-owns in Williamsburg, Virginia. Eventually he made the "Garden Selection" an official part of lunch and dinner menus.

After eight months, Desaulniers went back to eating meat, in moderation—about 4 ounces a day, he reports. But the vegetarian entrees stayed put on the menu. The reason? The meatless dishes sell just fine, especially at lunch, where they consistently account for 7 to 10 percent of the cover count. Are that many vegetarians running around Williamsburg? Desaulniers doesn't think so. "Most people who order these entrees just want something lighter and healthier for that particular meal," he says.

Other restaurateurs, as well, are changing their thinking about meatless entrees. Rather than casually throwing together something to appease the occasional vegetarian, they are making meatless dishes creative and delicious enough to delight any customer.

Special menu positioning

The Garden Selection is the second item down on the lunch menu at The Trellis, and the prominent position is deliberate. "We get lots of compliments from customers," says Desaulniers. "People like the fact that vegetarian entrees are not playing second fiddle to other dishes."

The lunch menu tells customers that "this vegetarian entree is creatively designed to be high in complex carbohydrates and low in fat and calories." The server tells the customer what the item for that day actually is—perhaps grilled vegetables with braised white beans, or pasta with fresh tomato sauce.

At dinner, when meatless entrees are less popular, the Garden Selection falls at the end of the menu. The description gives examples of the kinds of fresh, seasonal, unusual ingredients to be used: sugar snap peas, morels, white asparagus, wild leeks, chervil, fiddlehead fern, fava beans and artichokes. But no promises are made, giving the chef leeway to pick the best produce and the most suitable cooking technique.

One night, servers might offer dinner customers a colorful array of

grilled Yukon Gold potatoes with asparagus, plum tomatoes and local spring greens, all in a fresh herb vinaigrette. Another good seller is braised green lentils with smoked tomatoes, grilled eggplant and saffron *puntalette* (a small pasta, similar to orzo).

Hong Kong's Mandarin Oriental Hotel has introduced vegetarian a la carte menus in both its Mandarin Grill and Pierrot restaurants. "It's on our room service menu as well, and is proving to be very popular. Often, when people come off a plane, they just want something light and healthy," says executive chef Jurg Munch.

Just part of the menu mix

Rather than focusing special attention on vegetarian entrees, assistant chef Carrie Kellerby lists them alongside other entrees on the menu of Boston's Cactus Club. But she always makes sure to include at least one meatless soup and entree for each daypart. Once or twice a week, one of the "at-whim" specials is a vegetarian dish, such as chiles rellenos stuffed with vegetables. And fajitas made with marinated, grilled vegetables are always on the menu.

For the customer not thrilled with those choices, the kitchen will improvise, often using pasta. Kellerby explains, "We'll use the best fresh vegetables on the line that night and, depending on what the person wants, make it spicy and Southwestern, or meek and mild with just a little cilantro and white wine. This is easy to do on a request basis."

Customers of Carrucci, located in Rosemont, Illinois, can find several interesting vegetarian dishes in the pasta section of the menu. Chef Vince Tyler especially recommends penne in roasted garlic oil with sun-dried tomatoes; homemade fettucine in a cream sauce, topped with a julienne of arugula and minced raw tomatoes and Vidalia onions; and *armoniche* (a wavy-shaped noodle) with grilled eggplant, tomato sauce and pecorino cheese.

Because pasta is available both in full portions and half portions, customers can either make it the focal point of the meal, or sample other meatless items along with a smaller portion of pasta. A popular appetizer, says Tyler, is a cheeseless pizza, perhaps with sliced tomato and olive oil, topped with mixed seasonal greens in vinaigrette.

Thinking vegetables

Vegetables don't usually come to mind in a barbecue restaurant, but at Peggy Sue BBQ in Dallas, they are anything but an afterthought. Among the menu's 10 tempting selections are pinto beans ("real ones, not canned"), fresh spinach steamed with lemon butter, sauteed vegetable medley and thick-cut onion rings in a buttermilk batter. An East Texas specialty, squash casserole that's "cheesy and not too sweet," is also featured.

The vegetables are ordinarily ordered as sides to various barbecued meats, but a message at the top of the vegetable section proposes an alternative meal choice. "Think about a plate of these as a meal," it says.

Making flavorful vegetable stock

Chef Deborah Madison's guidelines in *The Greens Cookbook* (Bantam Books, 1987) prove that vegetable stocks can be as varied and complex as meat-based stocks.

Procedures

☐ Wash all ingredients thoroughly and cut into pieces no larger than one inch square, so that flavors will emerge more quickly and completely.

☐ Stew vegetables and herbs first in oil or butter to strengthen flavors. The fat can be skimmed after the stock is chilled, if desired.

☐ Place ingredients in cold water, bring to a boil and simmer 30 to 45 minutes or until the vegetables have given up all their flavor.

☐ Strain the stock immediately after cooking. Some vegetables and herbs can turn bitter if they steep too long.

Vegetables to use

☐ Onions or leeks, carrots and celery are basic to every stock. For a stock with deeper color and flavor, caramelize the onions first.

☐ Use thick potato parings with some flesh attached for a good earthy flavor.

☐ Chard and kale add a "meaty" flavor—unlike spinach, which can turn "grassy."

☐ Tomatoes add a welcome tartness to summer stocks. Grilling them first lends a faintly smoky flavor.

☐ Even a few wild mushroom ends, sauteed in garlic, deliver enormous flavor to a stock.

☐ Fennel bulb, asparagus and peas will remain recognizable above the other elements in a stock. Use them only when the stock will be used in a dish containing those ingredients.

☐ Avoid using cauliflower, brussels sprouts, artichokes, onion skins and carrot tops, which can give the stock an unpleasant odor or taste. Use beets and beet greens only when a red stock is acceptable.

Herbs and aromatics

☐ Use garlic, peeled and unpeeled, in generous quantities to add depth.

☐ Parsley, used generously, has a grounding effect for the high, sweet tastes in vegetable stock.

☐ Warm bay leaves slowly in oil or steep in hot water to bring out their flavor.

Other flavor sources

☐ Add a handful of lentils or the broth formed from cooking other beans or legumes to a soup stock.

☐ Red miso adds a deep, beefy quality, while a little tamari or soy sauce heightens flavors. Reduce the amount of salt added if these products are used.

"In such a beef-eating region, we didn't know how it would go over," says co-owner Susan Hall, "but more and more people are asking for the vegetables. It's sort of funny to see them picking one vegetable from the green group, one from the yellow. The ones who are really serious skip the onion rings."

At Amore, another restaurant owned by Hall and her husband Marc, some customers are "editing" the Mediterranean Grill, a dish that pairs five grilled vegetables with a boneless chicken breast. "Leave out the chicken breast," they say, "and double the eggplant."

Strictly vegetarian

Every day, students at the California Culinary Academy in San Francisco can choose between two main dishes—one with meat and one without—in their dining room. The first-year and second-year students who prepare the foods receive early exposure to the proper presentation of vegetarian meals.

"We teach them that there's a difference between an entree with no visible meat and a total vegetarian dish," says Thomas Bloom, president and CEO at the academy. The students learn that a dish that is apparently meatless, but that was made with chicken stock, is not authentically vegetarian. In such a case, the menu or server should tell customers about meat-based ingredients.

Because some vegetarians (known as vegans) avoid eating milk or eggs, customers should also be alerted when the presence of dairy products in a meatless dish is not obvious.

Entrees specifically billed as vegetarian, such as the Garden Selection at The Trellis, should be free of all animal products. "We use only vegetable stocks in those entrees, and only dried pasta, because our fresh pasta contains eggs," says Desaulniers.

Ethnic flavor boost

Interesting combinations and seasonings are as important to the success of vegetarian dishes as to any others. Leaving the meat out of a meat-centered entree is easy, but it might destroy the flavor balance of the dish. Similarly, "mock" dishes in which tofu or tempeh stands in the for the beef or lobster could leave some diners feeling that they've settled for an inferior substitute.

It's no accident that two of the country's foremost vegetarian restaurants—Greens in San Francisco and Moosewood Restaurant in Ithaca, New York—draw heavily on the cuisines of other countries for their inspiration. "We set out to create a cuisine whose complexity and interest left diners feeling that nothing was missing," says Deborah Madison in *The Greens Cookbook*.

At Greens, those influences flow together into hybrid dishes such as Mediterranean Salad Plate with a colorful array of different items: lentil salad, Moroccan carrot salad, roasted eggplant, oil-cured olives and so on.

On Sundays, Moosewood's "ethnic night," the restaurant delves more deeply into the foods of a particular country. Three examples drawn from the recently published *Sundays at Moosewood Restaurant* show how to pack flavor into a vegetarian entree by drawing on ethnic cuisines.

Freshly ground spices such as the ones in garam masala—cardamom, cinnamon, cloves, coriander, cumin and black peppercorns—give Indian dishes their distinctive flavor. The fiery taste of West African food comes from ginger, dried red chilies and garlic, while yams and pumpkins add mellow accents and peanuts add a crunchy texture. In Scandinavian cooking, the earthy taste of rye and the tart flavor of pickled vegetables are prized.

At Mr. B's Bistro in New Orleans, executive chef Gerard Marais locks in flavor by serving a variety of vegetables *en papillote*. The vegetables steam in their own juices, together with herbs and butter or olive oil.

Presentation counts

"Too often, a meatless item turns out to be vegetables plated without a lot of imagination," says Thomas Bloom. A visually spectacular dish at the California Culinary Academy is tabbouleh molded in a terrine shaped like a bell pepper and presented with a red-pepper sauce. Even a shapeless dish such as a stew or casserole is more inviting as a main dish when served in individual crocks or ramekins.

"An entree at Greens is not so much a meat-like food as it is one that commands attention by its form and appearance," says Madison. It might be a layered "cake" of crepes with fillings or a rolled souffle sliced to show the spiraled pattern that makes vegetarian entrees as satisfying to look at as to eat. Vegetable gratins, with their beautiful golden crusts, also please the eye.

Several different items on a plate can add up to an appealing main dish, as well. One combination platter offered by the Cactus Club consists of black beans, chipotle polenta, a blue-corn tostada filled with fresh vegetables, and a sweet-potato/cornmeal tamale served with corn relish.

Eating such an entree, it's a rare customer who would miss the meat. ❑

Toni Lydecker is a writer in Irvington, New York.

The Savory Way wins top cookbook honor

The Savory Way, a collection of more than 300 down-to-earth meatless recipes by Deborah Madison, was recently selected as the "Best Cookbook of 1990" by the International Association of Culinary Professionals.

Madison is the founding chef of San Francisco's celebrated Greens restaurant and a frequent contributor to various cooking magazines. Her previous book, *The Greens Cookbook*, won the 1987 IACP award in the Vegetable and Fruit category.

In *The Savory Way*, Madison introduces the reader to sensible items she perfected while cooking at Greens. The book professes to be not just for vegetarians but "for everyone who enjoys exciting food inventively prepared and presented with style." It includes recipes on everything from different vegetable creations to pasta to soups and stews.

The Savory Way is published by Bantam Books.

SURVEY SHOWS INTEREST

Approximately 20 percent of all adults say they are likely to look for a restaurant serving vegetarian dishes, and one-third or more are likely to order more popular vegetarian dishes.

Results of a National Restaurant Association Gallup survey conducted in June 1991 suggest that foodservice establishments in many markets should list some main-dish vegetarian items among their offerings. Although the great majority of Americans remain meat-eaters, many enjoy vegetarian items and are likely to order them.

The study shows that interest in vegetarian items is fairly evenly distributed across the United States, with a slight preponderance in the South. Interest is higher among women and respondents aged 35 and older, and it peaks among the over-65 age group.

The study also indicates that interest in vegetarian items does not necessarily stem from a commitment to vegetarianism. When those who said they would look for a restaurant serving vegetarian items were asked why, 88 percent cited "health reasons" and 86 percent cited "taste preference."

Only 39 percent said they would choose vegetarian items for ethical reasons. Twenty-two percent cited "religious reasons," although the figure rose to 43 percent among the relatively high number of nonwhite respondents who said they looked for a restaurant offering vegetarian items.

Respondents choose specific dishes

The survey also asked consumers how likely they were to order individual vegetarian items as a main dish in a restaurant. About 20 percent indicated that they would be likely to order a meatless casserole, and a similar number indicated interest in a vegetable pizza.

Almost one-third said they would be likely to order pasta with a meatless sauce. Young adults 18 to 24 years of age, consumers with household incomes of $40,000 or more, and Easterners are significantly more likely than others to order this item.

More than 40 percent said they were likely to order a vegetable stir-fry. Again, consumers with higher incomes and also those under 45 years of age are more likely to select this item from the menu.

More familiar items ranked as most popular. Entree salad with vegetables and grains was the choice of 43 percent. The figure rose to almost 50

How often Americans eat various foods

Type of food	Eaten every day	Eaten at least once a week	Never eaten
Milk or cheese products	67%	96%	2%
Fruits	47	92	1
Vegetables grown above the ground	42	95	1
Grains like rice, barley, wheat or corn	31	90	3
Vegetables grown below the ground	30	95	0
Red meat like beef, pork or lamb	15	85	3
Eggs	11	70	10
Legumes like beans, peas, lentils	8	74	8
Chicken or turkey	5	89	2
Fish or seafood	2	68	7

Note: *The category "less than once a week" is excluded from the table. Descriptions for vegetables are as follows: vegetables grown above the ground like lettuce, tomatoes and zucchini; vegetables grown below the ground like potatoes, carrots and turnips*

Source: National Restaurant Association Gallup Survey, June 1991

IN VEGETARIAN ITEMS

percent in the Pacific and Southeast regions and to more than 50 percent among women and people in the 55 to 64-year-old age group.

Among the listed vegetarian dishes, main-dish fruit salad was the most popular, with 46 percent of adults saying they would be likely to order it. Furthermore, among women, 18 to 24-year-olds and Southerners, the odds of ordering a fruit salad are great, with more than half saying they would be likely to do so.

The study also shows which items people say they eat on a daily and weekly basis. For instance, 40 percent or more said they eat milk or cheese products, fruit and green vegetables each day. Grains (such as rice, barley, wheat or corn) and vegetables grown below ground (such as potatoes, carrots or beets) were reported to be eaten on a daily basis by about one-third of respondents.

More respondents said they eat red meat every day (15 percent) than said they eat fowl every day (5 percent) or fish every day (2 percent).

When consumption is examined on a weekly basis, the numbers even out: 96 percent said they eat milk or cheese products at least once a week, and 95 percent said the same for green vegetables. Eighty-nine percent said they eat chicken or turkey at least once a week, and 85 percent said the same for red meat.

Only 5 percent of respondents described themselves as vegetarians, but even that figure is called into doubt by responses to other questions on the survey. For instance, only 3 percent of adults reported they never eat red meat.

A 1984 survey conducted by Gallup turned up 3.7 percent of adults who said they were vegetarians and never ate meat, fish or fowl. A more recent U.S. Department of Agriculture survey put the number at 3.63 percent. ❑

Types of vegetarians

The Institute of Food Technologists in Chicago has expanded on the usual classifications and defines various categories of vegetarians as follows:

- **Semi-vegetarians** eat dairy products, eggs, chicken and fish, but no other animal flesh.
- **Pesco-vegetarians** eat dairy products, eggs and fish, but no other animal flesh.
- **Lacto-ovo-vegetarians** eat dairy products and eggs, but no animal flesh.
- **Ovo-vegetarians** eat eggs, but no dairy products or animal flesh.
- **Vegans** eat no animal products of any type.

Considering the results of the National Restaurant Association Gallup survey, an additional classification, the "sometimes" vegetarian, might be added to include those who say they are vegetarians but who also eat red meat like beef, pork or lamb. These sometimes vegetarians represent 2 percent of the total adult population and 70 percent of those who profess to be vegetarians.

Ranking of vegetarian menu items

Rank	Item	Percent of adults likely to order
1	Main-dish fruit salad	46%
2	Main-dish salad with vegetables and grains	43
3	Vegetable stir-fry	41
4	Pasta with meatless sauce	32
5	Vegetable pizza	20
6	Meatless casserole	19
7	Meatless chili	15
8	Vegetable curry	12

Source: National Restaurant Association Gallup Survey, June 1991

PAUL SALTMAN TALKS ABOUT RESTAURANTS AND NUTRITION

An outspoken nutritionist and biology professor refuses to point a finger at specific foods as culprits—or saviors—for America's nutrition problems.

by Joan E. Herlong

Paul Saltman flinches at being called a "new wave nutritionist" or a pioneer of "the new nutrition." Author of *The California Nutrition Book*, Saltman has been a professor of biology at the University of California at San Diego since 1967. As he lectures to a wide variety of groups across the country, Saltman insists there is nothing new or trendy about nutrition, and nothing new for restaurants or their patrons to get worked up about.

"There is no such thing as the 'new nutrition,' " says Saltman. "It's just a meaningless buzz phrase. America's interest in nutrition is a lot like its belief in the Tooth Fairy and quick fixes. There are no quick fixes. For example, NutraSweet is a fine substitute for sugar. But a diet cola does not 'counteract' a chocolate sundae. People in the United States think a lot about food, but not very much about nutrition. Luckily, restaurants and chefs are becoming much more nutrition conscious.

"Nutrition is an *exact science*," he stipulates. "There's nothing 'new' about it. We have a finite need for calories. Too many, you have obesity, which leads to a host of other health problems. Too few, you have anorexia. To lose weight, it's very simple: You must reduce the number of calories you take in and increase your amount of exercise."

What is new about Saltman's approach is his refusal to point a finger at specific foods, restaurants, labels or diets as the culprits—or saviors—for America's nutrition and health problems. Instead, he emphasizes individual education and responsibility. According to Saltman's nutrition gospel, there are no good foods or bad foods, per se, but there are good and bad eating habits. Ultimately, nutrition is a matter of personal choice. As Saltman asserts, "It's not the restaurant's responsibility to replace Mom and Dad."

Any nutrition-conscious restaurateurs considering whether to eliminate the dessert menu and fire the pastry chef can hold onto their pink slips, says Saltman. The nutritional issue for restaurants is not whether to serve one particular food, or only "health" foods. The issue is one of balance.

The restaurant's role

Saltman admits the restaurant's role in promoting nutrition is complicated: "A restaurateur wants to stay in business, make money, cater to people's tastes and offer reasonable prices. Nutrition is a science, but food is metaphysical—a sensual pleasure. People go out to restaurants to enjoy their food, not to worry about what they're eating. I advocate food without fear and food without guilt. Restaurants can play an integral part in that."

Playing an integral part does not mean that restaurants should have to be watchdogs, says Saltman. "The best way for a restaurant to promote nutrition is through choice," he advises. "The average customer wants a wide choice of wholesome food beyond that which he or she gets at home. The customer wants something special. Restaurants provide a great service to their customers when they offer options with fewer calories, smaller portions and cooked with less fat." Saltman adds that offering a "diet menu" does not denigrate the rest of the menu or imply that the other fare is not as good for you. It simply clarifies choices for the individual customer.

"The restaurant's challenge is to create dishes people like and enjoy, but that are also nutrient-rich," he maintains. "It doesn't do much good to make foods that are just 'good for you' if they are not also appealing enough to eat." Saltman thinks recent menu maneuvering by fast food chains has been positive. "It gives people the option to enjoy a real hamburger with 200 fewer calories than their regular burgers."

When asked about the movement afoot to require nutritional labeling on restaurant menus, Saltman exclaims, "It's crazy, just crazy! Besides, 'cholesterol-free' or 'low cholesterol' labeling is ridiculous. Cholesterol in your *food* is not dangerous. In fact, cholesterol is a necessary component of human health. Too much cholesterol in your *blood serum* is dangerous.

"Your body manufactures 85 percent of your own cholesterol, mostly out of sugar, fat and amino acids," he explains. "You make cholesterol when you take in too many calories. When your body takes in more calories than it knows what to do with, it makes those calories into cholesterol and then starts lining the arteries with the stuff."

Saltman feels that labeling, whether it's on restaurant menus or food products, is the wrong place for government to focus on nutrition education.

"Government should actively promote and support good science education, beginning with the elementary grades, so individuals can make informed decisions on their own," he asserts. "The real issue is, 'How much do you weigh?' And *that* is a matter of personal choice.

"If people are not at an optimal weight, they cannot blame the restaurants, or the food, or their age or the labels. It's a matter of personal knowledge and responsibility," he stresses. "We do get slightly heavier as we get older, but your weight should not vary more than 10 percent from ideality."

No such thing as junk food

Saltman raises a few eyebrows when he states that there is no such thing as junk food—or health food. "But there are lots of junky diets and healthy diets," says Saltman. "All foods have redeeming value. For example, there is no sin in red meat. Vegetarianism is a religious belief, not a nutritional tenet. Red meat is a great source of protein and trace elements. But offer lean red meats. Be a gourmet, not a glutton.

"We should all have the freedom to eat whatever we choose," suggests Saltman. "But that is not to say, 'Eat anything.' What I do say is eat what you enjoy, in amounts your body needs. 'Freedom' to eat whatever we choose does not mean anarchy. The key to all freedom is personal responsibility."

What about that dessert menu? Most desserts are not exactly known for their "nutrient density." "Look, desserts are not the problem, *people* are the problem," emphasizes Saltman. "Desserts are an important part of my diet, but they are not a grotesque part. It gets back to the metaphysics of food, the pleasurable aspect. Our mothers told us, 'Eat your broccoli or you don't get dessert.' Dessert is a reward, a pleasure.

"I had a chocolate sundae on the plane coming home from a speech the other day," recalls Saltman. "I loved it, enjoyed it thoroughly! But I remembered that I had eaten that sundae when I weighed myself the next morning. The next day, I had a light breakfast of some bran, juice and a couple of pieces of cheese. Every morning, I weigh myself before a full-length mirror. Then I decide what I'm going to eat that day and how much. It's a matter of personal responsibility."

Perfect diets, not perfect foods

Nutritional fads have proven that humans don't live on oat bran or any other "wonder food" alone. But are there any "perfect" meals restaurants should try to offer?

"There are no perfect foods," says Saltman, "yet there is a wide variety of perfect diets. A diet is one's total food intake over a five to seven-day period. The goal is to provide a balanced meal, offering nutrient density within rational caloric amounts. Pizza, for example, is a near-perfect meal."

Pizza? "Yes, pizza," says Saltman. "It contains dairy products loaded with calcium, and the crust is made from grains. There are vitamin-rich vegetables in the sauce and toppings, and it contains meat, which is a great source of protein.

"A well-made burrito is also very good for you," advises Saltman. "Chicken or fish, prepared in a low-fat manner and served within a balanced meal, are also excellent choices. A chef's salad, depending upon the ingredients, can be very nutritious."

Portions play as strong a role in the nutrition of a meal as the ingredients do. Saltman's caveat about "rational caloric amounts" means pizza ceases to be a perfect meal if you eat the whole thing when your body doesn't need the whole thing.

"Restaurants like to be generous in portions," notes Saltman. "I guess it makes you feel like you're getting a bargain. But restaurants need to be more sensitive to portion issues. A lot of people don't want or need such big servings. Restaurants should offer a wider choice, not just in items on the menu, but on the size of the servings, something beyond 'adult' and 'child' portions. I would say that restaurants' biggest mistakes are serving dishes that are too calorically rich and serving too much per portion." ❑

Joan E. Herlong is a writer in Greenville, South Carolina.

"There is no sin in red meat. Vegetarianism is a religious belief, not a nutritional tenet."

"I don't think it's a restaurant's role to save the health of a nation."

HUITLAC

by Paula E. Langguth

Asking a Mexican chef why huitlacoche (hweet-la-KOH-chay) is served is like asking a French chef why truffles are served. So says Rick Bayless, chef/owner of both Topolobampo and Frontera Grill in Chicago, restaurants that seat 45 and 65 people, respectively. "Huitlacoche is one of the greatest delicacies, and it's a hallmark element of fine Mexican cooking," says Bayless. Famed Mexican cookbook author Diana Kennedy once described huitlacoche as "the ambrosia of the Aztec gods."

Like its truffle counterpart, huitlacoche, or "the maize mushroom," is a fungus. Unlike the truffle, which grows in the ground, huitlacoche is found only on ears of corn.

The versatility of huitlacoche makes it a possible menu ingredient in more than just Mexican restaurants. John Maddox, owner of the Sunset Beach Inn (renowned for its ability to sate hardworking sailors) in Cape Charles, Virginia, added huitlacoche to his legendary black bean soup and found it imparted a flavor that truly enhanced the soup. Maddox feels that the exotic, unknown nature of huitlacoche also enhances its reception by patrons. "For years people didn't think you could eat alligator, and now they're gobbling it up," explains Maddox in comparison.

Huitlacoche grown in the United States lacks the greater depth of flavor found in Mexican huitlacoche, according to Cristina Arnold, an anthropologist and the owner of El Aficionado, a distributor of rare native Mexican products. Arnold says natives describe Mexican huitlacoche as "more macho." But the milder U.S. variety is certainly popular. Josefina Howard is the chef and co-owner of Rosa Mexicano, a 96-seat New York restaurant that serves classic Mexican cuisine. She can certainly attest to huitlacoche's appeal. After all, how many chefs have a "will call" list to announce that a single *ingredient* is on the menu?

"Huitlacoche is a tremendously beautiful thing to sell if it's done properly," says Howard, who serves 35 servings of every huitlacoche dish she prepares during an average "in-season" week. Howard once demonstrated the fungus's amazing versatility by making everything from soup to ice cream during an all-huitlacoche night at the Beard House Culinary Center in New York. A favorite dish (and an extremely colorful one) that Howard recently served to a party of Mexican diplomats is a hollowed-out mango with a scoop of coconut ice cream inside, covered by huitlacoche sauce and surrounded by raspberries.

The dark, smoky-sweet, earthy-flavored huitlacoche (sometimes spelled cuitlacoche) is best purchased fresh, in quantities of 10 to 15 pounds. (Recipes call for up to two pounds of huitlacoche per six servings.) The shelf life of huitlacoche is shorter than that of most mushrooms. At $10 to $13 per pound, huitlacoche is priced $2 to $5 higher than shiitake mushrooms—but much lower than the price of its French counterpart, the black truffle. Because it grows on corn, fresh huitlacoche's availability is limited to corn's June to September growing season, which reduces the profitability of huitlacoche but seems to whet the appetite of most patrons.

Bayless, who has earned a reputation for creating authentic, traditional

CREPES FILLED WITH HUITLACOCHE

Yield: 18 crepes (6 servings)

Ingredients:
1 pound of huitlacoche
3 to 4 Tbs. of either peanut, safflower or olive oil or a combination
½ medium onion, chopped
2 cloves of garlic, pressed
1 large sprig of epazote (Mexican tea) or fresh sage, lightly chopped
2 small chile poblanos, roasted, peeled, seeded and cut into strips
1 cup creme fraiche
Salt to taste

Method:
Remove the huitlacoche from the corn cob by shucking (if applicable). Heat oil and saute onion and garlic until transparent. Add lightly chopped huitlacoche along with either the epazote or fresh sage and mix well. Add poblano chilies and let huitlacoche mixture simmer until liquid evaporates. Add salt to taste.

Prepare French crepes and fill with the huitlacoche mixture. Roll them and arrange in a casserole or individual serving casseroles. Add creme fraiche and heat through.

—Courtesy of Josefina Howard Rosa Mexicano, New York

Nutritional information per serving (3 crepes): 228 calories, 2 grams protein, 8 grams carbohydrate, 22 grams fat, 20 mg. sodium, 54 mg. cholesterol

This truffle-like ingredien country because of it its versat

OCHE

Josefina Howard

is an emerging delicacy in this smoky-sweet flavor and ity in cooking.

HUITLACOCHE ICE CREAM

Yield: 1 quart (8 servings)

Ingredients:
6 ozs. huitlacoche
2 Tbs. butter
1 cup milk
3 cups heavy cream
9 ozs. sugar
¾ cup egg yolk (9 to 12 eggs)
¼ tspn. salt
A jigger of sweet sherry

Method:
In a heavy saucepan melt the 2 Tbs. butter. Add huitlacoche and cook over a medium flame until it is shiny and looks fried. Then add the salt and mix thoroughly. Place in a blender and then strain it through a fine sieve. Return huitlacoche to the same saucepan; add the milk and heavy cream and bring to a boil. Then reduce heat. Beat egg yolks with the sugar until ribbony. Fold into the saucepan. Let the mixture simmer until it thickens (145°) but **do not boil.** Strain again through the sieve. Cool mixture over ice and then pour it into an ice cream machine. As the ice cream begins to thicken, add the sherry. Will yield 1 quart of ice cream and serves approximately 8.

This wonderful ice cream can be served with a fresh berry sauce. Raspberries, strawberries, blueberries or tropical fruits are good candidates.

—Courtesy of Josefina Howard
Rosa Mexicano, New York

Nutritional information per serving:
559 calories, 7 grams protein, 38 grams carbohydrate, 43 grams fat, 154 mg. sodium, 400 mg. cholesterol

dishes, has served huitlacoche for three years at Topolobampo. "When we run it, we do an appetizer called Budin de Huitlacoche," says Bayless. The appetizer consists of two homemade tortillas layered with huitlacoche, covered with roasted tomato sauce and baked in an earthenware dish. "Because huitlacoche is expensive, I think appetizers are the best way to make it accessible to the most customers," adds Bayless.

"The dish I use most is sauteed huitlacoche with onions rolled up in a classic French crepe and covered with cheese," says Josefina Howard.

Even restaurants that serve nouvelle cuisine have added huitlacoche to their menus. At the New Heights restaurant in Washington DC, for example, the menu is a blend of classical, Indian, Southwestern and Asian foods. Chef Greggory Hill specializes in a Southwestern cabbage roll stuffed with cabbage, carrots and diced mushrooms, and topped with smoked corn sauce and roasted red peppers with huitlacoche. The dish provides plenty of color contrast and plenty of flavors. "From the very beginning, using huitlacoche was good. The only problem was the availability," says Hill. "When it's out of season, a lot of customers ask what happened because they enjoyed the flavor so much."

Availability is indeed a problem since, unlike truffles, huitlacoche cannot be easily imported into the United States. As a result, chefs must either connect with a specialty distributor or scout out their own supply source, which is what Bayless did. "We have an organic farmer nearby who lets huitlacoche grow on baby Asian corn for us," says Bayless. Even so, Bayless struggles to meet the growing demand, because most farmers know huitlacoche better as common corn smut, a crop pest.

In addition, Arnold has worked diligently to find a way to extend the shelf life of huitlacoche. And now, thanks to a quick-freeze storage method, Arnold can accommodate the newly piqued palates of huitlacoche lovers year round. There is no great difference in taste between fresh and frozen huitlacoche, according to a number of chefs who have tasted both. The difference is in the texture.

"The mushroom [huitlacoche] is slightly more crunchy when fresh, so it stands up better and can be used for a wider variety of dishes," says Arnold. Howard echoes this sentiment. "I would rather have it fresh, because frozen huitlacoche gets a little mushier. But for use in soups or sauces, it's actually easier to use if it's been frozen for a while," says Howard.

Because the "maize mushrooms" will quickly ferment, fresh huitlacoche should be cooked immediately with your own special spices and mixtures. If using the mixture within 2 or 3 days, you can refrigerate it. Cooked huitlacoche can be frozen and will maintain its consistency for approximately six months. If using frozen huitlacoche, you should thaw it rapidly using a microwave and then quickly prepare your dish.

"When the waiter offers it at Rosa Mexicano," says Howard, "he tells people it's the Mexican equivalent of a truffle—black, a fungus, and earthy tasting. This gets people's curiosity going, and once they try it, they love it and they clean the plate every time." ❑

Paula E. Langguth is a writer in Silver Spring, Maryland.

CHEFS CONSIDER ORGANIC PRODUCE

by Diane Welland, M.S., R.D.

Strawberries that melt in your mouth like candy. Sweet, juicy kernels of corn from an ear picked ripe from the stalk. There's nothing like it. That's how chef and co-owner Charles Trotter describes the organic produce he uses at his Chicago restaurant, Charlie Trotter's.

Trotter is not alone in his feelings about organic food. For countless other chefs, the taste of freshly picked produce grown without chemicals or pesticides far outweighs the

advantages of traditionally grown varieties.

"Organic products taste better than commercial," says Trotter. "The flavor just can't compare." But although taste may be the primary and most obvious reason why some chefs are turning toward organic ingredients, it certainly isn't the only one.

Some chefs make a conscious effort to choose organic produce over conventionally grown produce because of moral or health reasons. But chefs such as Ken Frank, owner and chef at La Toque Restaurant in Los Angeles, and Tamara Murphy, executive chef at Campagne Restaurant in Seattle, fell into it quite by accident.

"I like to shop for the best ingredients possible, and more and more that ends up being organic," says Frank.

Murphy agrees. "I don't seek out organic products," she says, "but about 70 percent of the produce I use in summer is grown locally and organically because it is good quality." Murphy, who frequently purchases food at Seattle's famous Pike Place Market, cites another reason for choosing organic foods: variety. "I can get 18 different kinds of salad greens at the market. You just don't get that kind of variety in commercially available produce," says Murphy.

"Green" benefits

"It's a way of life for us," says Alan Harding. Harding is the executive chef at the environmentally conscious restaurant Nosmo King, located in New York City. "We try to be as 'green' as possible, and that includes everything from recycling to buying as much organic produce as possible at the greenmarket," says Harding. Depending on the season, Nosmo King can purchase up to 85 percent of its produce from organic growers.

"We promote a clean, healthy lifestyle, which includes buying as many clean and pesticide-free products as we can," says Harding. According to Harding, organic farming does far less damage to the ecosystem than conventional methods do.

Evan's restaurant in Houston is another organic supporter. "There is a great deal of awareness regarding the potential consequences of treated produce in terms of both environmental impact and health," says Evan Daily, owner of the restaurant. Evan's tries to include one or two totally organic items on the menu every day. Daily feels that many consumers will choose organic items over commercial items, given the option.

Concern about the safety of the food supply is another reason for the rising popularity of organics. Recent publicity about pesticides, artificial ingredients and synthetic additives has spawned discontent among some chefs as well as consumers. "There's a lot of junk in our food today," says Emeril Lagasse, executive chef and owner of Emeril's restaurant in New Orleans. "Organic is all natural, with no preservatives, chemicals or anything like that. That's why we use it."

But, although organic produce may be perceived as healthier by many of the foodservice operators who use it, there is probably no difference in terms of nutrition between organic and other types of produce. "Any difference would be negligible," says David Haytowitz, a nutritionist at USDA's Nutrient Data Research Branch in Hyattsville, Maryland. Nutrient losses usually occur during transit, handling or packing. These losses are just as likely to happen with organically grown produce as they are with conventionally grown.

Not all organics are equal

Although taste is the number one reason why chefs choose organic fruits and vegetables, it is not always true that all organic produce tastes superior to commercial. "It depends on the food," says Harding. Apples are a good example. Often there is no difference in taste between organic apples and commercial, once the skin is peeled. Tomatoes, on the other hand, have quite a distinctive flavor when organically grown, says Harding. For this reason, many chefs opt to use both conventionally grown and organically grown items.

Visual appeal is another factor chefs must consider when going organic. Because organic farming does not involve the use of chemicals or growth stimulators, organic produce frequently does not look as attractive as commercial produce. But according to Trotter, this is a small price to pay. "By the time we finish preparing the food, it looks just as good as, if not better than, commercial produce." Advances being made in farm-management practices and biotechnology may help make unattractive organic produce less of a problem. "The quality of organic produce is getting better and better," says Daily.

Customer perception

Although there is increased awareness about organic products, many customers still do not understand what organic is. For this reason, many restaurateurs who use organics hesitate to market their use of organic products.

According to Harding, many people think organic means vegetarian, when in reality most restaurants that use organics offer a variety of menu items, including meat dishes. "We used to promote our organic products, but we just can't afford to be labeled a vegetarian restaurant," says Harding.

Other restaurateurs using organics do not feel a need to stress organic products. "Most of our clients come because we offer good food, not because the restaurant uses organic vegetables," says Trotter. "We provide the best food possible, and that means using organic. But frankly, the customer doesn't care whether it's organic or not, just as long as it's good." Trotter does admit that a small segment of his clientele frequents his restaurant because he uses organic products.

Restaurants that do opt to publicize their organic menu items seem to do so in order to provide information about their dishes and educate the customer, rather than to increase sales. Evan's restaurant prints "organically grown" on its menus as well as on its matchbook covers. "This is so our guests are aware that we use organic produce when they're here," says Daily. Also, the waitstaff is instructed to inform the guests when organic items are available.

Emeril Lagasse's restaurant does not advertise organic products on any printed material, but it does promote its organic offerings through an exten-

sively trained waitstaff. Both kitchen staff and waitstaff attend regularly scheduled classes in order to understand the process by which food is grown and prepared. For example, in a class on yellow chanterelle mushrooms, cooks and servers learn about when and how they grow, what to look for in a mushroom and how it is prepared in the kitchen. The servers then are knowledgeable enough about the product to explain it to customers. "We educate [our customers about organic products] through verbal presentations," says Lagasse. "Our business is mostly local and repeat customers, so they expect our staff to know these things."

Although organic products may not increase customer traffic, they do provide some indirect benefits that could improve sales. Sometimes, customers are willing to pay a higher menu price for products perceived as organic, and sometimes these products can be marketed as "locally grown" or "homegrown." The quality and taste of certain organic products may be noticeably better than commercial products, too, thus improving the chances of repeat visits.

Availability

Although organic food sales have increased substantially, organics still have a long way to go before they become mainstream. Currently only about 2 percent of the food grown in the United States is grown organically, but that amount has been steadily increasing.

"Organic farming is still a small cottage industry," says Katherine DiMatteo, executive director of the Organic Foods Production Association of North America (OFPANA) in Greenfield, Massachusetts. Consequently, these farmers are not as organized as those in the well-established conventional produce industry.

"It's a matter of supply and demand," notes chef Ken Frank. "Many times the supply doesn't meet the demand, but the industry has definitely improved over the years." According to Frank, advanced technology, increased demand and better distribution systems will make organic foods "the wave of the future."

Emeril Lagasse, who has been buying organically grown food for more than nine years from a farmers co-op, also sees a bright future for organics. "Over the years things have really taken off; [our co-op has grown] from just a few farmers to about 15 to 20 different farmers."

Farmers cooperatives, farmers markets and even some commercial food suppliers now make organic offerings available.

Scott Mayhew

Nosmo King's chef Alan Harding (center) says organics are a "way of life."

Whatever the source, using organic products does take special effort. Here are a few things to keep in mind when working with organic products.

Be flexible. Because organic farmers rely heavily on nature to provide optimal conditions, the loss of crops due to weather or insect infestation can occur without warning. The foodservice operator counting on using a farmer's arugula crop, for exam-

How to find organic produce

Organically produced foods, although not considered mainstream yet, are becoming more and more accessible to foodservice operators. Since organic farming is still a cottage industry, most of the organizations for distributing and growing organic products are local. But there are some regional groups popping up. State agricultural departments and farmers markets are good places to find sources of organic products.

Here are some other resources for finding organic growers in your area.

☐ *1991 National Directory of Organic Wholesalers.* Written by the California Action Network, this 239-page book lists organic farmers, certifying agents, manufacturers and distributors. It also has a commodities index broken down by state. The book costs $29.95, plus $5.00 shipping and handling. Copies can be ordered by calling (916) 756-8518 or (800) 852-3832, or by writing to California Action Network, P.O. Box 464, Davis, CA 95617.

☐ *Natural Organic Farmers Association.* This regional private certification group has chapters in the New England and Mid-Atlantic areas. To reach your state chapter, contact Jack Kittredge, RFD #2, Sheldon Road, Barre, MA 01005, or call (508) 355-2853.

☐ *Organic Crop Improvement Association.* This certification agency is found mainly in the north and central Midwestern states, in California and in Canada. Contact Betty Kananen, Administrative Director, 3185 Township Road 179, Bellefontaine, OH 43311, or call (513) 592-4983.

☐ *The Organic Foods Production Association of North America.* Established in 1985, OFPANA is the international trade association for the organic food processing industry. Contact Katherine DiMatteo, Executive Director, P.O. Box 1078, Greenfield, MA 01302, or call (413) 774-7511.

☐ *Organic Growers & Buyers Association.* This is a private, independent, third-party certifying organization that operates nationwide. Contact Yvonne Buckley, 1405 Silver Lake Road, New Brighton, MN 55112, or call (612) 636-7933.

ple, may have to substitute watercress instead. A chef expecting to find a certain variety of wild mushrooms at the local market may find edible flowers in its place. Be ready to change a recipe if the ingredients are not available. Supply is not always consistent. Some chefs don't decide what will be on the day's menu until after visiting the market.

Although some dishes can be adapted with different ingredients, others cannot. Sometimes chefs are forced to look elsewhere when local organics are not available. Lagasse and Trotter arrange to get organic produce from big farms in Texas or California. Other chefs, like Frank and Murphy, opt to use commercial varieties. Either way, the chef must learn to be flexible and creative when dealing with organic fruits and vegetables.

Be cost conscious. There's no doubt about it: Organic products cost more than commercial ones. Hence they are more likely to be used in upscale restaurants. In fact, cost is the biggest deterrent to foodservice operators using organic produce.

Why do organic foods cost more than conventional ones? One reason is because it costs the farmer more to grow organic crops. Without pesticides and other chemicals, it takes more time and work to cultivate the plants. The other reason is simply a matter of economics. With limited supply and growing demand, prices for organics are higher.

Food costs vary, but on average, a restaurant using organic items is likely to have a higher food cost than a restaurant using conventional produce. "Even with the extra cost, I still run [a food cost at] about 29 percent," says Harding. He estimates he would have a food cost of 24 or 25 percent without the organic cost.

Surplus crops are a common occurrence among organic farmers and a good way to cut costs. A good season can produce a glut on the market, resulting in lower prices. Creative chefs can generate new menu ideas for using these products.

Labor is another issue. Buying organic produce is more labor-intensive. Frequently it requires the foodservice operator to shop around, making more telephone calls or market trips, and it often results in more deliveries. Since organic produce may vary greatly in quality, it is important to purchase carefully.

Buy in season. By purchasing organic products in season and at peak times, operators can often save money. Local products, too, are often less expensive. Since most organically minded chefs buy products only when they are in season, the chefs forgo the high cost of off-season commercial produce.

Charlie Trotter's follows this rule. "Although I pay a higher price for organic products grown without chemi-

What is "organic"?

The term "organic" in food marketing has been around for more than 50 years, but only recently has Congress decided to begin to develop national standards for defining organically produced foods. Why the new interest? Partly because there is much confusion surrounding the term "organic," and partly because sales of organic foods have been rising rapidly—from $174 million in 1980 to $1.25 billion in 1989.

According to Harold Ricker at USDA's Agricultural Marketing Service, heightened concern about the environment and the publicity surrounding the use of Alar has given the organic movement "a big push."

Currently, "organic" can mean almost anything, according to Katherine DiMatteo, executive director at the Organic Foods Production Association of North America. In 1973, California set up an organic certification program to verify farmers' practices. Oregon soon followed. The term "certified organic" means the product was certified by a third party. But even that is not uniform, says DiMatteo. The certification process ensures that the farmer has followed certain standards, but the standards can differ among states and private organizations—and not all organic produce is certified. Right now there are 26 states that have laws regulating or defining "organic" in some way, and there are more than 30 private certifying groups. Four states (Washington, Texas, Maryland and Colorado) have state certification programs.

Under the 1990 Farm Bill, a provision known as the Organic Food Production Act will require all organic products to undergo third-party certification based on nationally developed standards. These standards specify that organic produce must be grown and handled without synthetic or man-made chemicals. Farmers wanting to produce nationally certified organics would eliminate most—but not necessarily all—of the pesticides, herbicides and fertilizers used in commercial farming. Only naturally occurring substances are allowed, but even these are prohibited if they are found to be harmful to the environment.

Organic farm systems will also need to follow certain farm-management practices that maintain and replenish the soil. Finally, farmers will be required to grow their produce organically for three years before they are eligible for certification. This delay is to ensure that no synthetic residues are left in the soil. These requirements will require careful record-keeping by the farmer and periodic testing of the soil and produce.

The Organic Food Production Act focuses on the establishment of a National Organic Standards Board which will develop a list of allowable and prohibited substances.

The act is scheduled to go into effect in October 1993. In the meantime, foodservice operators interested in organic products should be familiar with the following terms:

Certified organic produce: Certified to be organic by a state or private organization. Follows organic farm practices that require periodic soil testing and inspections.

Transitional produce: Produced by a grower striving to meet organic standards but not yet eligible for certification. Sometimes these products may be organically managed but, because they are grown during the three to five-year waiting period for certification, they are not yet certified.

Organic produce: Currently, produce labeled as such may follow some or all organic practices, but the growers are not certified. There is no way to determine degree of organic product.

Organic processed food: Currently, the definition is loose. The 1990 Farm Bill will require that an organic processed product contain at least 95 percent organically produced ingredients.

COD IN PARCHMENT WITH STEAMED VEGETABLES AND TARRAGON

Serves 4

Ingredients:
24 ozs. fresh cod fillet (or other firm, flaky fish) without skin, cut into four 6-oz. portions
16 asparagus spears (pencil-size), peeled
2 Tbs. tarragon, chopped
2 Tbs. shallots, chopped
2 ozs. extra virgin olive oil
2 ripe plum tomatoes, quartered
8 ozs. cooked Basmati rice
4 ozs. cooked green lentils
8 large spinach leaves
6 ozs. vegetable stock or fish stock
4 ozs. white wine
Salt and pepper

Method:
Cut cod portions to open like a wallet, hinged at one end. Place 4 spears of asparagus on one side of fish, with ends sticking out. Fold other half of fish over top, to close wallet.

Lightly salt and pepper one piece of oiled parchment paper. Pour ½ oz. extra virgin olive oil in center of parchment. Sprinkle tarragon and shallots over top.

Lay spinach on top of shallots to form a small raft. Next, layer rice, lentils and finally fish with asparagus on top. Season with salt and freshly ground black pepper. Wedge a piece of tomato on each side of each piece of fish.

Pour ¼ of vegetable stock and 1 oz. of white wine over fish and vegetables. Gather ends of parchment paper and crimp together, sealing tightly closed. There should be one inch of space between parchment and fish.

Place packets on greased sheet pan. Bake at 350° for about 8 minutes. Carefully remove parchment parcels and place unopened in shallow soup bowls.

—Courtesy of Alan Harding
Nosmo King, New York

Nutritional analysis per serving: 456 calories, 45 grams protein, 26 grams carbohydrate, 16 grams fat, 587 mg. sodium, 94 mg. cholesterol

PAN ROASTED SALMON WITH HERB CRUST

Serves 4

Ingredients:
4 salmon fillets, 6 to 7 ozs. each
½ tspn. salt
½ tspn. white pepper
4 Tbs. Dijon mustard
1 cup assorted chopped fresh herbs: basil, thyme, oregano, dill, parsley and tarragon (or substitute others if you like)
1 cup water
2 Tbs. olive oil
1 lb. assorted greens (spinach, frisse, arugula, kale, mache, sorrel), trimmed, rinsed and dried
½ cup herb vinaigrette
¼ cup finely minced red bell pepper

Method:
Preheat oven to 425°.

Place the salmon fillets on a clean surface and sprinkle both sides of the fillets with a total of ¼ tspn. of the salt and pepper. Spread 1½ tspns. mustard on each side of fillet. Dredge each fillet in ¼ cup of the herbs, covering both sides.

Heat a 14-inch skillet over medium heat. When the skillet is hot (flick a drop of water on the skillet; if it sizzles, the skillet is ready), add the fillets and sear them, until golden on the bottom, about 30 to 60 seconds.

Turn the fillets over, pour ¾ cup of the water into the skillet around the salmon, place in the oven and bake until crusty and brown, about 2 to 4 minutes. Keep the fish warm.

Heat the oil in a 14-inch skillet over medium heat. When the oil is hot, add the greens and toss them quickly to coat with the oil. Add the remaining ¼ cup water and the remaining salt and pepper; toss, remove from the heat and drain in a colander.

To serve, place ¼ of the greens on each plate, top with the salmon fillet, nap with 2 ozs. of the vinaigrette and garnish with red pepper.

—Courtesy of Emeril Lagasse
Emeril's, New Orleans

Nutritional analysis per serving: 542 calories, 39 grams protein, 15 grams carbohydrate, 38 grams fat, 732 mg. sodium, 93 mg. cholesterol

cals, my costs are offset because I don't buy expensive Chilean grapes or South American tomatoes in the winter," says Trotter.

Savvy chefs should know which fruits and vegetables are grown at various times throughout the year. Since the produce is picked ripe rather than underripe, organic items tend to have a shorter shelf life. Thus, they are more fragile than commercial varieties.

Other foodservice operations do use commercial products out of season, but the products are not used in the same way. For example, during the summer, Campagne restaurant uses fresh organic tomatoes in salads. But in winter, out-of-season tomatoes that are not organically grown are used in stews or sauces where the flavor is not so pronounced.

Another option is to freeze extra quantities for the winter, when items are not available. That's what Nosmo King chef Alan Harding did when he bought a large supply of surplus cherries. "I made cherry marmalade and put it in the freezer," says Harding. "Sometimes I even make batches of plum tomato sauce and freeze it." All in all, using only seasonal produce requires a little more ingenuity, but the results can be rewarding.

Start small. For foodservice operators who want to use organic products, it is important to gradually introduce these products to the kitchen staff. Start with one or two items. Remember that organic products need not make up an entire meal or dish. Organically grown tomatoes on a salad, or a side dish of organic vegetables are examples of ways to start.

Don't be afraid to use both commercial and organic products together. Few restaurants use only organic fruits and vegetables. Many operators use large amounts of organic products in the summer and small amounts in the winter.

Finally, make sure your organic products are from a reputable source and build a relationship with that supplier. If possible, work directly with a grower. Sometimes a farmer can grow a particular item specifically for the restaurant. Another alternative is to contact local restaurants to see whether there is interest in forming a cooperative with local farmers.

All in all, using organic produce does take more effort than commercial. Emeril Lagasse sums it up best: "It's not always easy working with farmers. It takes a lot of time and commitment. But it's well worth the effort." ❑

Diane Welland is manager/staff nutritionist at the National Restaurant Association.

Photo courtesy of North Star Pub

FALL AND WINTER PROMOTIONS

Follow the lead of these four successful promoters and give customers an excuse to celebrate fall and winter holidays at your restaurant.

by Jennifer Batty

The days near the big fall and winter holidays can be days of flagging business for restaurants, as customers save their pennies for holiday outfits, presents and travel. But you don't have to give in to the holiday business blues. Build promotions around the less well-known holidays, and feature events to extend the holiday spirit. Creative promotions may be the spark needed to heat up your fall and winter business.

Oktoberfest

During Oktoberfest in Germany, people crowd into beer gardens to sing songs, to listen and dance to oompah bands, and to try to out-toast each other with brimming mugs of dark, frothy beer. That festive mood has been successfully captured by many restaurants in the United States, including The Weeping Radish Restaurant and Brewery in Manteo, North Carolina (a resort area on the Outer Banks).

The owners of The Weeping Radish hold three "fests" a year, with two occurring during the fall months. In addition to early fall's Oktoberfest, an Autumn Fest is held in November, "to give a little spark to the area. It gets pretty boring around here after the summer," says business manager Peggy Smith.

Oktoberfest is the largest event the restaurant holds, and it lasts for three days: Friday, Saturday and Sunday. The restaurant promotes the event through a newsletter that goes to customers on the mailing list, and advertisements are placed in the local newspaper and on the radio. Smith also puts ads in the Raleigh, North Carolina, and Norfolk, Virginia, newspapers.

"We get people from all over the country for this event—there are families that plan their vacations around Oktoberfest. They start calling about now asking when it will be held so they can be sure and make it," says Smith.

Several months before the Oktoberfest celebration, the staff puts up posters advertising the event. Customers are encouraged by the waitstaff to fill out entry forms to win a trip for two to Bavaria that will be awarded during the fest. The restaurant supplies the housing and transportation for the winner while in Bavaria, and American Airlines (in conjunction with a local radio station) furnishes the air transportation. To encourage attendance, entrants must be at the restaurant's Oktoberfest celebration during the drawing in order to win.

The colors of the Bavarian flag are echoed by the blue-and-white streamers and balloons the staff puts up in the restaurant. Balloons are also affixed to the fence bordering the property. The jauntily bobbing balloons help to draw attention to The Weeping Radish from passing motorists, because the restaurant cannot be seen very well from the highway, says Smith.

During Saturday and Sunday of the celebration, there are children's activ-

ities like button-making, face-painting, games and a balloon sculpturer. "We didn't used to be open during the day [for Oktoberfest], but we were filling up by 5 p.m. People had to wait so long to get in that we decided to hold it during the day as well. Now we find a lot of families are coming during the day so the kids can enjoy the fest as well," says Smith.

For this event, the staff members set up an outside beer garden adjacent to the restaurant. Pork barbecue, sausages, marinated pork chops, Oktoberfest chicken and hot dogs are cooked outside. Accompanying these items are sauerkraut, sauerbraten and their apple strudel for dessert. Admission is free, and fest-goers buy food and drinks a la carte; a customer spends anywhere from $3 to $9 for a main dish.

Inside the restaurant, chairs and tables are lined up fest-haus style with communal seating. At night, people move into the restaurant to listen and dance to authentic German oompah-pah bands.

A few of the customers initially experience polka anxiety. "We always see people who feel very silly at first listening to this music and doing the polka. But eventually they get into it. With all the toasting and singing, it is a really festive atmosphere. People get caught up in it," says Smith.

Children especially like the music and the traditional German outfits worn by the band members and dancers. "The kids really enjoy the oompah bands, and they get out there and dance," says Smith.

As customers enter the fest, they have the opportunity to win door prizes: mugs, T-shirts and other items given away every hour. The festive spirit is transmitted over the airwaves by remote radio broadcasts from the restaurant by a local disc jockey.

"The best part about holding the fest is the goodwill it generates among our customers. I don't think we would ever dream of not having the fest; it would just disappoint so many people," says Smith. "The only people who don't enjoy it are the ones who thought they were coming here for a regular dinner, and then they show up and there's this wild party going on."

Columbus Day

Although he sailed on behalf of Spain, Christopher Columbus was Italian. In 1992, Columbus Day will receive greater attention than usual, because it will be 500 years since the adventurous Italian landed in America. When Columbus sailed forth in search of the fabled continent, he carried with him many Italian herbs and spices that later became integral to our culture. Anna and Filippo Frattaroli, owners of four restaurants in the metro Boston area, pay annual homage to Columbus—as well as to Italian cooking—by highlighting cuisine from Columbus' native region of Liguria on Columbus Day.

Via Veneto, where the promotion is held, is a regional Italian restaurant where Filippo Frattaroli, as chef, introduces his customers to the dishes he enjoyed as a boy in Sulmona, Italy.

"We were looking for a holiday that could be an annual celebration for us. Because we are an Italian restaurant, it seemed natural for us to hold a Columbus Day celebration," says Anna Frattaroli.

Last year Via Veneto's Columbus Day promotion was held on October 8, and the $35 tickets to the event were sold out almost a year in advance. "We wanted to keep it a small event, but we still ended up serving 250 people because there was such a demand," says Anna Frattaroli. The proceeds from the event are donated to local and national charities.

The event was easy to promote. "Boston has a very strong Italian community. There were so many people who wanted to be involved in the celebration that we told some of our customers about it, and the word spread," she says. The Frattarolis also sent press releases to members of local news media and to customers on the restaurant's mailing list.

Filippo Frattaroli is a member of an association of Italian restaurateurs, and he travels to Italy with the group to do research for his cooking. He has worked out an exchange program with several Italian chefs. Each year he asks one of them to come to Boston and cook for the Columbus Day celebration.

During the week preceding the celebration, the visiting chef cooks for a couple of days in each of the Frattarolis' restaurants. Customers may order from either the regular menu or from the visiting chef's regional menu. Anna Frattaroli says that this helps to build the excitement for the Columbus Day celebration. "We have had wonderful chefs come here. They are very eager to come to Boston and cook for Americans and see a bit of the country. My husband has

Photo courtesy of Penwick House

Audrey Davenport welcomes diners to the Penwick House each year for a two-day pre-Christmas show.

Photo courtesy of Via Veneto

Boston's Filippo Frattaroli stands in front of the Columbus Day mural commissioned by Via Veneto

chefs lined up for years to come," she says.

On the day of the Columbus Day celebration, the restaurant closes to the general public, and ticket-holders are invited to come for a reception with cocktails and hors d'oeuvres at 6 p.m. The reception lasts for an hour, and then the guests sit down to a five-course dinner at tables decorated with Italian spices and yards of colorful silk. "We collected the decorations on our trips to Italy. Each table is dressed completely differently, with objects that Columbus would have brought with him," says Anna Frattaroli.

In keeping with Columbus Day, there is a nautical theme to the decorations, including a giant ship's mast. The waitstaff wears Renaissance-style hats with feathers, and the hostesses dress in regional costumes from Italy.

For that one night, the whole restaurant is open to the customers, and they roam through the kitchen and see the chef at work. "Sometimes the chef may even put them to work," she says.

Last year's guests danced to an Italian band that played traditional songs and current hits after dinner. "They played songs that many of the customers hear on the Italian stations here in Boston," says Anna Frattaroli.

Guests were also given confetti, which is a delicate sugar candy. "In my husband's hometown, you wouldn't think of having a celebration without confetti. It brings you and your guests good luck," she says.

Boston is already planning a big 500th anniversary celebration for next year's Columbus Day, and the Frattarolis have begun preparing as well. "We wanted to contribute something to the festivities that would continue after the celebration, so we commissioned an outdoor mural," says Anna Frattaroli.

The 40-foot by 40-foot mural, a tribute to Columbus and Italian culture, was painted on the outside of the restaurant over a three-month period.

"At first we considered covering it with a big cloth and then unveiling it the day of the celebration, but then we decided to let people watch and see what we were doing," says Anna Frattaroli. And watch they did. "Crowds were gathering outside; we were stopping traffic. We got a lot of attention in the newspaper. It was great PR for the restaurant," she says.

The Frattarolis are busy preparing for this year's Columbus Day celebration, and they have only a few tickets left.

Photo courtesy of North Star Pub

Free English sausages and mashed potatoes were given out to revelers at the North Star Pub's Boxing Day celebration. Here, a customer drinks from a "yard of ale."

Extending the Christmas season

Christmas promotions do not have to be limited to December 25. You can extend the holiday cheer all through December. The Penwick House is a country inn in Dunkirk, Maryland, that specializes in southern Maryland cuisine. And the owners have found a way to draw customers to their establishment with a pre-Christmas promotion.

Twenty-six years ago, an area garden club wanted a professional to show them how to decorate their homes for the holidays, says Vikki Flaherty, manager of the restaurant. At that time, her mother, Audrey Davenport, was an active member of the club and decided to secure a plastic tent next to their family's decorating shop and put on the demonstration.

"We had the worst storm of the season and it was freezing cold, but people still came out and enjoyed themselves. So we thought that if they came out in bad weather in a plastic tent, then they'd come out in good weather in a comfortable setting," says Flaherty.

In 1979, her mother and her father, Donald Davenport, opened the Penwick House and continued the tradition of the "Christmas Greens Show." It is held the first weekend in December (inside the restaurant) and each year there is a different theme. Last year's theme was "A Victorian Christmas," and this year's is "The Essence of Christmas." "We picked that theme because of all the wonderful smells associated with the season—fresh pine, potpourri, and cookies and breads baking," says Flaherty.

Flaherty sends flyers to customers on the restaurant's mailing list and advertises in the local newspapers and in the Annapolis, Maryland, newspaper.

The show lasts for two days, and there are two or three demonstrations given each day. Flaherty says the dining room usually fills to capacity for each demonstration. Flaherty schedules the show to fall in between lunch and dinner, so that even though the show is free, many of those attending come early and enjoy a meal before

the demonstration or stay late and eat dinner.

Vicky Trego owns a crafts store called The Shop at Penwick, adjacent to the Penwick House restaurant. Trego shows those who attend the show how to make centerpieces, wreaths, ornaments, trimmings—and how to decorate a tree. The demonstration lasts about an hour, and Trego has products the attendees can buy to make the objects she describes, or customers can order one to be made for them.

"The show brings in lots of people, and they see how pretty the restaurant is decorated and how festive it is. Then they arrange to bring an office party back here or a garden group. It really encourages local organizations to hold their meetings here," says Flaherty.

"We're out here a little ways," says Flaherty, "so we have to give people more of a reason to come out here—something to make us a destination spot. So far this has worked really well."

Boxing Day

Christmas Day is over. All the presents have been opened, the turkey's been eaten and the carols have been sung. Now there's nothing to look forward to. Or is there? You can follow the North Star Pub's example and relieve your customers' post-holiday blues by holding a Boxing Day promotion on December 26.

Boxing Day is a national holiday in Canada and the United Kingdom, celebrated on the first working day after Christmas. It is based on the feudal custom of the lord of the manor "boxing" up food and clothes to give to the poor. This custom has changed over the decades so that today, those observing the holiday give gifts to tradespeople or others who have been of service.

"Christmas Day is spent with your family in England, but Boxing Day is spent with your friends, usually down at the local pub," says the North Star Pub's general manager, Deven Black. "We wanted to give people a chance to celebrate with their friends."

The North Star Pub is a small, traditional British pub in New York City. The pub began celebrating the holiday in 1983 as a sort of "thank you" party for customers. Each year the event grows, with last year's promotion drawing 700 to 800 people to the 1,250-square-foot operation, says Black.

Adhering to the original purpose of Boxing Day, the pub asked those who came to the event last year to bring clothes and nonperishable food items, which were collected and given to the Coalition for the Homeless. Beginning on December 17, a free Imperial pint of ale was given to customers who brought in food or clothing.

Black sends out press releases to local newspapers, radio stations and television stations, and it usually pays off with a prominent mention right before the event. "All the food writers are on our mailing list, and we send them notes reminding them that Boxing Day is coming up. Boxing Day is a slow news day, so we know there is a good chance that we'll get a mention if we let the news media know about the event," says Black.

The pub's owners spend as much time on public-relations efforts for the British media as they do at home. "We have regulars from Europe that we see only once or twice a year, but this is a big factor in building our business. We know that they tell their friends in England about us. It is amazing how many people come here straight from the airport," says Black.

The event is also advertised in the pub's irreverent newsletter, which is sent out about six times a year. "The newsletter is very effective. We send 350 to 400 to New York and the surrounding areas, and 400 more go to people in 49 states and to Europe," says Black.

Located in the South Street Seaport tourist area, the pub draws a lot of out-of-towners, as well as Wall Streeters, British bank employees and other members of the English community. But Boxing Day draws a much broader crowd, often exceeding the pub's dimensions and the owners' expectations.

"The first time we did this, we didn't know it would be so successful and we ran out of everything. We order more of everything every year, but we still keep running out," says Black, not really complaining.

Last year the festivities on Boxing Day began at 11 a.m. and lasted until the pub closed at midnight. Customers were given free bangers and mash (English sausages and mashed potatoes) but paid for their drinks. Revelers were also given Christmas crackers. These crackers "bang" when the ends are pulled, revealing a gaudy paper hat, a toy or game, and witty sayings or jokes.

The pub gave away half a ton of bangers and mash last year and ran out of its supply of 600 crackers by 6 p.m. Throughout the day there were morris dancers in traditional costumes performing ancient folk dances, and there was a Banger Bash to see who could consume the most bangers in two minutes.

There are no decorations put up in the pub for the event. "When you have hundreds of people in here wearing gaudy paper hats in every color imaginable, you don't really need much else," says Black. ❑

Jennifer Batty is a communications specialist at the National Restaurant Association.

Fall and winter promotional dates

Columbus Day. October 12, 1991, is the official Columbus Day, but the national holiday (which workers may have off) is Monday, October 14, 1991. Next year, Columbus Day falls on Monday, October 12, 1992. Next year's Columbus Day will mark 500 years since Christopher Columbus landed in America.

Oktoberfest. In Germany, Oktoberfest is celebrated from the middle of September until October 31. For restaurant promotions, you may want to block off the entire month of October for promotional events. Some cities have an Oktoberfest celebration that restaurants can tie in with.

Boxing Day. In England and Canada, Boxing Day is celebrated the first working day after Christmas. This year's Boxing Day is Thursday, December 26, 1991. Next year's Boxing Day is Monday, December 28, 1992.

EASING THE BUYOUT PROCESS

by Mark E. Battersby

A recent IRS ruling may make the use of a buyout life insurance policy even easier, in the case of the death of an owner.

One of the most difficult things for the owners of any restaurant business to plan for is the death of one of the owners. Recently, however, with one specific ruling, the Internal Revenue Service may have helped in one area: the use of life insurance for buying out the shares of a deceased owner.

How does the ruling help? It paves the way for every incorporated restaurant that wants to take advantage of the more favorable partnership buyout rules to legally do so.

"What does that mean?" you may ask. In essence, the IRS approved the practice of transferring life insurance policies from a corporation to a partnership as long as both entities have the same owners. This simple move permitted one group of partners to take advantage of a partnership buyout after the death of one of the owners, rather than having to carry out the far more difficult corporate buyout that had been planned.

The effect on restaurants

It is common for closely held foodservice corporations to have an agreement among the owners that either the corporation or the other shareholders will have the right to buy the stock of a shareholder who dies. Obviously, this allows the remaining shareholders to continue the business without having to deal with a deceased owner's heirs or with

The buyout insurance strategy

Who may benefit? Closely held foodservice corporations.

What's the strategy? Taking advantage of favorable partnership buyout rules.

When it's useful: When remaining owners are purchasing the shares of a deceased or retired owner.

How it's done: By transferring buyout life insurance policies from the corporation to a partnership, and by purchasing the deceased owner's shares with the life insurance proceeds.

The result: Substantial tax savings for the remaining shareholders and for the corporation.

other persons to whom that owner might have transferred the stock.

It is also common for the buyout obligation to be financed with life insurance policies provided by either the foodservice corporation or the owners. These policies are usually payable either to the corporation or to the other owners. On the death of an employee-shareholder, the proceeds from the policy are available to fund the purchase of the deceased person's stock.

This is particularly advantageous for all concerned when you consider that life insurance proceeds paid on account of death are usually excludable from income. Unfortunately, tax problems can arise when a foodservice corporation uses this method of buyout.

First, the payment of life insurance premiums on the lives of employee-shareholders is not a tax deductible expense of the corporation when the corporation itself is the beneficiary.

Second, the receipt of life insurance proceeds can subject a corporation to the alternative-minimum tax.

Third, if a corporation buys the stock of a deceased shareholder, the remaining owners of a regular corporation (known as a C corporation) do not get a stepped-up basis in their stock. In other words, the book value of the stock held by the remaining shareholders remains the same, even though their ownership percentage of the outstanding shares has increased.

If, however, the restaurant is operating as an S corporation (in the manner of a partnership), the shareholders' basis in their stock is increased by their share of nontaxable income, such as insurance proceeds. This stepped-up basis may prove advantageous in terms of tax liability.

Under our tax rules, all amounts that are (1) received under a life insurance contract and (2) paid by reason of the death of the insured are usually excludable from the beneficiary's gross income. Both conditions must be satisfied if the amounts received are to be excludable as life insurance. It makes no difference who pays the premiums on the policy or whether the proceeds are received by an individual, a partnership or a corporate beneficiary.

How to get the advantage

The best way to use life insurance to fund the buyout of an employee-shareholder is to form a partnership made up of the shareholders. The purpose of using a partnership is to allow the owners a stepped-up basis in their interests once the deceased or retiring owner is bought out and also to avoid the alternative-minimum tax.

Using this method, the shareholders of a closely held foodservice corporation form a partnership, with themselves as partners. The partners have the same ownership percentage in the partnership as they do in the corporation. The partnership then owns the life insurance policies.

When one of the partners dies, insurance proceeds increase the remaining partners' bases in the partnership interests because the proceeds of the insurance policies are exempt from tax. Thus, these proceeds can be distributed to the remaining owners tax free.

The partnership agreement should allocate the tax-exempt income from the policies to the surviving partners so that the proceeds can be distributed tax free. The remaining employee-shareholders can then take the insurance proceeds and purchase the deceased owner's stock, thereby increasing their bases in their ownership interests.

Under the arrangement approved by the IRS in its ruling, a corporation that owned an insurance policy on the lives of the employee-shareholders was permitted to transfer the policies into a partnership. The transfer by the corporation was made as a partial payment of annual rent to the partnership under a lease for the business site.

In this situation, because the transfer of the life insurance policies was made from a corporation to a partnership (both entities having the same owners and ownership interests) in part payment for rent due to the partnership from the corporation, the IRS privately ruled that the life insurance policy proceeds would be excludable income.

It goes without saying that the form in which the restaurant business is operated has an effect on how all its income is taxed and the rules it must "play" under. Basically, there are three main business entity forms.

1. Sole proprietorships. The ordinary net profit or loss of the restaurant is included in the sole proprietor's income tax return. Usually, the sole proprietor is the business.

2. Pass-through entity. Distributive shares of the ordinary net profit or loss of the foodservice business are passed through to the individual partners or S corporation shareholders and reported by each of them on their own personal income tax returns. The entity itself has its own life independent of its partners and shareholders.

3. Regular corporations. The regular or C corporation is a separate taxable entity that has not chosen to be taxed like a partnership. As such, it has a life of its own as well as its own tax bill. Shareholders generally receive only dividend income.

A single-owner foodservice business can be operated as any of above forms.

When it comes to multiple-owner businesses, the owners can choose to do business as a partnership, a C corporation or an S corporation. What's more, a variety of combinations are possible. A corporation may be a shareholder in another corporation or a partner in a partnership or a joint venture. A partnership may be a shareholder in a corporation or a partner in another partnership.

Questions may exist as to whether corporate shareholders can form a partnership solely for the purpose of making use of the more favorable partnership rules as they apply to insurance on the lives of employee-owners. Therefore, it would be prudent to make certain that a reasonable business purpose exists for the partnership's existence.

In the case on which the IRS recently ruled, for example, the partnership was in existence to own assets that the corporation leased from it and used in its business.

In sum, using the corporate form of operation doesn't necessarily preclude using a partnership to make a buyout easier—and less costly. ❑

Mark E. Battersby is a financial adviser and writer in Ardmore, Pennsylvania.

#120

Insurance?

I recently received renewal notices for all the insurance coverages we have, and I was flabbergasted. When I looked at the amounts, I thought it was some sort of joke—or at least that someone had mixed up our file with somebody else's. I placed a call to our insurance broker to register my disbelief, and in the course of our conversation I rapidly progressed from astonishment to disillusionment to rage. Here's what happened.

Me: I just received the premium notices for our insurance coverage, and the costs are way out of line compared with last year's. These figures are anywhere from 25 percent to 200 percent higher than what we paid a year ago. There must be some mistake. We didn't increase any of our coverages, and we hardly had any claims.

Broker: Well, actually, there are no mistakes. I shopped your policies around to a number of the carriers, and what you received are the very best quotes I could get. Any other rates would have been higher still.

Me: That's ridiculous. We haven't filed any major claims for years. In fact, I suspect we are on a "preferred risk" list. We've paid our premiums regularly and have never bothered anybody. We are about as good as any insurance company would want a customer to be.

Broker: Well, that's true certainly, but that has little to do with rate-making. The loss ratios of the insurance companies are pretty high, so other insureds must be filing some big claims. Natural disasters such as hurricanes and earthquakes also increase claims, even though they occur in other parts of the country. The investment returns of the insurance carriers, while OK, have not been spectacular, so they're not fully covering their claims losses on the investment end. Thus, they raise rates.

Me: But I can't be responsible for others filing big claims or for natural calamities, and I don't think I should have to take a hit because the insurers didn't do better with their investment portfolios. I can even understand a little rate increase, perhaps 4 percent or thereabouts, in keeping with inflation. But double-digit and triple-digit increases are preposterous. I won't pay it.

Broker: Well, OK, if that's what you want to do. We'll just let the policies expire. You won't have to pay the premiums, but then again you won't have any coverage either, if something were to happen. Going bare, so to speak, really puts you at risk. And I won't make my commission.

Me: I don't give a hang about your commissions. What are my alternatives?

Broker: Well, you could reduce your limits of coverage, raise your deductibles on standard policies, self-insure at lower levels and bring in coverage for catastrophic losses, increase employee contributions on the policies covering them, go for more coinsurance, or eliminate some fringe coverages, among other things. Or, you can always punt.

Me: Very funny! Why didn't you look into all those things for me and give me the range of options that you just enunciated?

Broker: I did. What I gave you is my best recommendation as a professional knowing you and your organization as I have through all these years. I knew I'd be hearing from you, though, sooner or later. I guess it's sooner.

Me: You're darn right it's sooner. Now I've got to crank this increase into my total revenue/cost mix, and the cost side of it for insurance and everything else keeps going up. I don't have much blood left.

Broker: I know what you mean. It's the same situation in my business.

Me: Like blazes it is. I'll tell you what I'm going to do. I'm going to print up a separate menu, a special menu just for you and your associates in the insurance industry who come in here. That menu is going to have prices that are 25 percent to 200 percent higher than the regular menu. I'm going to do that because you people in the insurance business are so "special." Besides, my investment portfolio is down, too, so I have no other choice but to raise the menu prices for anyone in the insurance industry.

Broker: You can't be serious.

Me: And one more thing. I'm going to get another insurance policy. I want an insurance policy that gives me protection against exorbitant premium increases in the future.

Broker: You can't do that!

Me: Just try me!

Fisher's Law #120: *In*surance is misnamed. With what we have to pay, it should be termed *out*surance.

GOT A QUESTION?
The National Restaurant Association's Information Service and Library has the answers
Call (800) 424-5156 or (202) 331-5960 Monday through Friday between the hours of 9 a.m. and 5 p.m. (Eastern Time) and a library specialist will be happy to assist you.

CREST* report—spring 1991

Customer traffic advanced a scant 0.6 percent in the spring quarter of 1991 over the spring quarter of 1990. This growth is lower than the 1 percent advance in traffic posted in the winter quarter of 1991, but the increase comes on top of a 5 percent gain in traffic recorded in spring 1990.

Quickservice restaurants were the only segment to show an increase in customer traffic in the spring quarter, with customer counts up 1.3 percent above the spring 1990 quarter. Traffic declined at both midscale and upscale restaurants in the spring of 1991, falling 0.3 percent and 2.6 percent, respectively.

Among the three major meal periods, supper posted the largest advance in customer counts, growing 1.1 percent in the spring quarter of 1991. Breakfast and lunch also posted increases in traffic, as counts rose 0.8 percent at breakfast and 0.3 percent at lunch, compared with spring 1990 levels.

On and off-premises highlights

On-premises traffic declined in the spring quarter, falling 0.9 percent, compared with spring 1990 levels. At the same time, off-premises traffic advanced 2.3 percent in the spring quarter.

All three industry segments registered declines in on-premises traffic. Of the three, the upscale segment recorded the largest decline (2.6 percent), followed by midscale (down 1.2 percent) and quickservice (down 0.1 percent).

Among the three main meal periods, however, breakfast recorded an advance in on-premises traffic (1.2 percent) in the spring of 1991, compared with the spring of 1990. On-premises traffic declined 2.5 percent at supper and was unchanged at lunch.

Both midscale (up 5.5 percent) and quickservice (up 2.2 percent) establishments experienced a rise in off-premises traffic, while off-premises counts dipped 2.6 percent at upscale restaurants.

Among the three meal periods, supper registered the highest growth in off-premises traffic in the spring (up 5.1 percent), followed by lunch (up 0.8 percent). Off-premises traffic for breakfast was unchanged from spring 1990.

Promotion use

The percent of occasions on which a deal was used was slightly lower in the spring quarter of 1991 than it was in the winter quarter—23.0 percent, compared with 23.4 percent. Nevertheless, promotions were still used on substantially more occasions in the spring of 1991 than in the spring quarter of 1990 (20.2 percent of occasions).

Among the three industry segments, quickservice restaurants continued to have the highest rate of deal usage—25.9 percent of occasions on deal. This compares with 22.2 percent of occasions on deal at quickservice restaurants in the spring of 1990. In spring 1991, deals were used on 17.2 percent of midscale occasions and 16.4 percent of upscale occasions, up from 16.5 percent and 14.8 percent, respectively, in the spring quarter of 1990.

Supper had the highest rate of deal usage among the three main meal periods in spring 1991—29.9 percent of supper occasions at a restaurant involved the use of a deal, up from 27.0 percent in spring 1990. Deal usage at breakfast and lunch was lower than that for supper (17.4 percent and 21.2 percent, respectively) in the spring 1991 quarter, but deal usage was up for both meal periods from spring 1990 levels (17.1 percent and 17.9 percent, respectively).

Average check size

The average eater spent $3.94 on a restaurant meal or snack in the spring quarter of 1991, just 0.3 percent higher than the $3.93 average check in spring 1990.

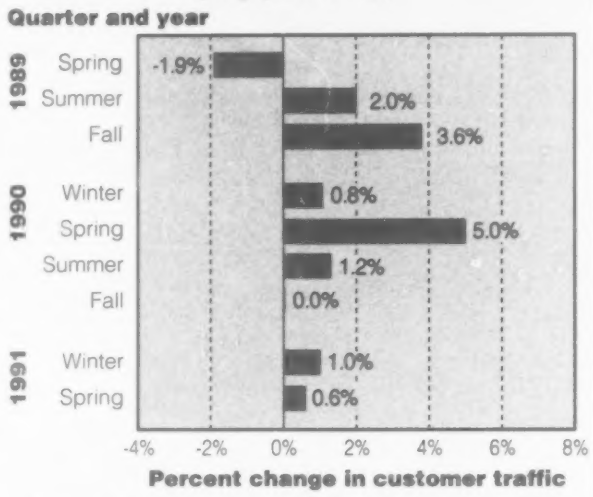
Midscale restaurants posted the largest advance in the average eater check, with a 1.9 percent increase (from $4.75 per person in spring 1990 to $4.84 in the spring of 1991). Quickservice restaurants recorded a 1.0 percent rise in the average eater check, from $2.91 in spring 1990 to $2.94 in spring 1991. The average check at upscale restaurants declined from spring 1990 levels, slipping 1.6 percent, from $9.64 to $9.49.

Breakfast checks advanced 1.9 percent from spring 1990 to spring 1991, growing from $2.57 to $2.62 per person. The average check at lunch also grew, but at a more modest rate, rising 1.1 percent (from $3.67 to $3.71). The average size of supper checks declined in the spring of 1991, down 0.6 percent to $5.07 from $5.10 in spring 1990.

—Nancy Michalski

Change in customer traffic by quarter* (spring 1989 to spring 1991)

Customer traffic advanced 0.6 percent in the spring quarter of 1991



*Percent change over same quarter, previous year

Source: NPD/CREST, *Quarterly Household Reports, 1989–1991*

*CREST stands for Consumer Reports on Eating Share Trends, a diary survey of one of the NPD marketing and research companies.

Meal-consumption behavior in 1991

How often do people eat out? A new National Restaurant Association survey indicates that Americans consume 3.8 meals prepared in a commercial setting in an average week. In addition, the survey found that the average person eats 14.9 meals per week at home and skips 2.3 meals.

The typical person (eight years old or older) consumed an average of 3.8 meals per week away from home in 1991, down slightly from 3.9 meals in 1985, according to the latest consumer survey commissioned by the National Restaurant Association* to investigate meal-consumption behavior. In comparison, individuals on average consumed a lower 3.7 meals per week in a commercial setting in 1981.

In 1991 individuals consumed an average of 0.5 breakfasts and 1.2 dinners away from home per week in 1991, unchanged from 1985. However, in 1991 individuals consumed an average of 2.1 lunches away from home, down slightly from 2.2 in 1985.

Consequently, respondents in 1991 reported a slightly lower 3.8 meals prepared in a commercial setting compared with 1985.

Young adults consumed, on average, the highest number of lunches and dinners away from home in a week.

The decline between 1985 and 1991 in the average number of lunches consumed away from home is related in part to fielding the 1991 survey in a recessionary period. Consumers, lacking confidence in the economy, are more likely to rein in their purchases with lunch away from home a likely target. Other notable meal-consumption behavior trends over the 10-year period include:

□ Consumers skipped an average of 2.3 meals per week in in 1991, up from 2.2 meals in 1981 and 1985. Breakfast continued to be the meal most likely to be skipped over the 10-year period with an average of 1.6 breakfasts skipped per week, up from 1.4 in 1981.

□ The average number of dinners consumed away from home remained stable at 1.2 in 1981, 1985 and 1991.

□ Consumers ate an average of 14.9 meals at home in 1991 and 1985, down from 15.1 in 1981.

Lunch is the leading meal

Of the three daily meals, lunch was the meal most frequently consumed away from home in 1991. On average, individuals ate 2.1 commercially prepared lunchtime meals per week. This is higher than the 1.2 dinners and 0.5 breakfasts that, on average, were consumed away from home. By comparison, consumers ate 4.3 lunches, 4.9 breakfasts and 5.7 dinners prepared at either their home or at the home of a friend. In addition, consumers skipped breakfast, on the average, 1.6 times a week, lunch 0.6 times a week and dinner 0.1 times a week.

In addition to the number of meals on average eaten away from home, survey data also indicate the

Mean number of weekly meals consumed away from home, 1991

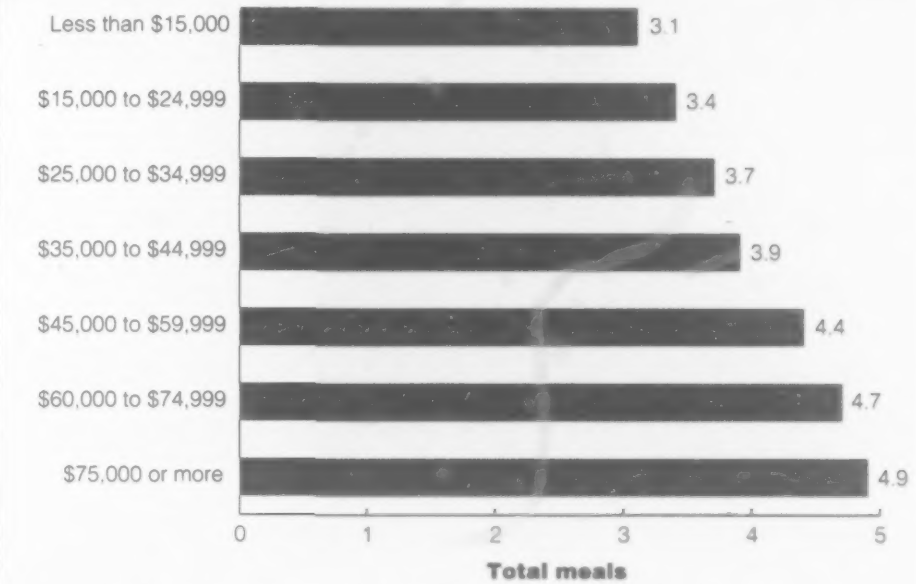
Respondent category	Number of meals per week
Sex	
Males	4.3
Females	3.6
Age	
Less than 13	5.0
13 to 17 years old	5.1
18 to 24 years old	5.1
25 to 34 years old	4.0
35 to 44 years old	3.9
45 to 54 years old	3.9
55 to 64 years old	3.2
65 years and older	2.4
Female employment	
Yes, employed	4.3
No, not employed	3.0
Microwave owner	
Yes	3.9
No	3.3
Children under 18	
Present in household	4.0
Not present in household	3.6
Total respondents	3.8

Source: National Restaurant Association, *Meal Consumption Behavior*, 1991

**In spring 1991, the National Restaurant Association commissioned HTI Research Inc., of the NPD Group, to survey individuals about where their meals were prepared and which meals, if any, were skipped during a seven-day period. In May 1991, survey cards were mailed to a participating panel consisting of 10,000 households. By June 7, 1991 (the official closing date), 7,120 households representing 15,408 individuals eight years old and older had returned the survey. Household members were asked to record information for the past seven days and for the five oldest household members (eight years old or older and living at home). Respondents recorded the number of meals prepared privately at home (or at a friend's home), prepared commercially (in a restaurant or school/work cafeteria) or skipped.*

Average weekly meals consumed away from home, by household income 1991

Individuals from higher-income households dine away from home more frequently than those from lower-income households do



Source: National Restaurant Association, *Meal Consumption Behavior*, 1991

incidence of eating out. Results indicate that 56.8 percent of consumers responded that they had eaten out for lunch at least once during the seven-day survey period. This is slightly higher than the proportion of those who went out for dinner in one week (53.5 percent) and much higher than the proportion who ate breakfast (20.7 percent) away from home at least once in the seven-day survey period.

Not only did a substantial proportion of consumers report eating lunch out at least once a week, but many did so more frequently. In 1991, 24.5 percent of consumers over age eight reported they ate a commercially prepared lunch between five and seven times a week. For breakfast and dinner, 4.4 percent and 4.9 percent, respectively, reported eating out five to seven times a week. Eating out for dinner was obviously a once or twice a week occasion for a large group of those surveyed, as 37.0 percent reported that they ate out for dinner once or twice during the seven-day period. This compares with 21.6 percent for lunch and 13.1 percent for breakfast.

Men eat out more often

Men ate out more than women for all meals in 1991. On the average, men ate 0.6 breakfasts, 2.3 lunches and 1.3 dinners away from home, while women ate 0.5 breakfasts, 1.9 lunches and 1.2 dinners away from home during a seven-day period. On the average, 20.3 percent of meals consumed by males were commercially prepared, compared with a lower 17.0 percent for women. Men and women skipped virtually the same number of meals during a seven-day period—2.5 for men and 2.3 for women. Women ate more meals prepared at home or at a friend's home—15.1 versus 14.3 for men.

Somewhat more males than females dined out during an average week for all meal periods in 1991. An examination of the proportion of those reporting eating out at least once a week indicates that 59.9 percent of men reported eating lunch away from home at least once a week, compared with 56.3 percent of women. In addition, 55.3 percent of men reported eating at least one dinner away from home, compared with 53.4 percent of women. Meanwhile, 23.1 percent of men reported eating breakfast away from home at least once in a week, compared with 19.4 percent of women. This pattern of consumption held true among men and women of similar age groups, with men always recording a greater likelihood of eating meals prepared away from home.

A higher proportion of men than women also reported eating out with high frequency. A larger proportion of men reported eating

1991 meal-period highlights

Breakfast

- More than one out of five (20.7 percent) of all individuals over eight years old consumed a commercially prepared breakfast at least once during a week.
- On the average, individuals consumed 0.5 breakfasts away from home in a week.
- The average individual skipped 1.6 breakfasts in one week, making breakfast the most frequently skipped meal.

Lunch

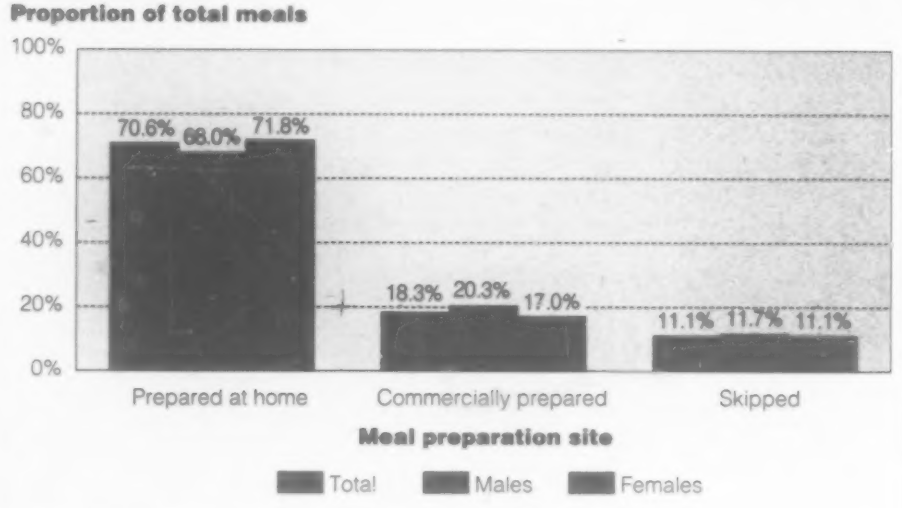
- Almost six out of ten (56.8 percent) individuals ate lunch prepared away from home at least once a week. This makes lunch the meal most frequently consumed away from home.
- Individuals consumed, on the average, 2.1 lunches away from home per week.
- The average individual skipped lunch 0.6 times in a week.

Dinner

- Among individuals over age eight, 53.5 percent consumed at least one commercially prepared dinner in a seven-day period.
- The average individual consumed 1.2 dinners away from home in a week.
- Individuals skipped, on average, only 0.1 dinners in a one-week period.

Breakdown of weekly meal consumption, by preparation site and gender, 1991

Females reported a lower incidence of eating out than males



Source: National Restaurant Association, *Meal Consumption Behavior*, 1991

Proportion who reported eating at home, at restaurants and skipping meals in the past seven days (1991)

Meal occasion	Privately prepared	Commercially prepared	Skipped
Breakfast			
At least once	84.4%	20.7%	33.4%
1 to 2 times	11.0	13.1	7.5
3 to 4 times	7.6	3.2	6.2
5 to 7 times	65.8	4.4	19.7
None	15.6	79.3	66.6
Lunch			
At least once	85.8%	56.8%	19.2%
1 to 2 times	19.2	21.6	10.0
3 to 4 times	12.0	10.6	3.9
5 to 7 times	54.6	24.5	5.4
None	14.2	43.2	80.8
Dinner			
At least once	97.4%	53.5%	6.3%
1 to 2 times	4.1	37.0	4.5
3 to 4 times	12.6	11.6	1.0
5 to 7 times	80.7	4.9	0.8
None	2.6	46.5	93.7

Note: *Totals may not sum to 100% due to rounding.*
Source: National Restaurant Association, *Meal Consumption Behavior*, 1991

out between five and seven times a week for all three meals. For example, 29.1 percent of men reported eating a commercially prepared lunch between five and seven times a week, compared with 21.2 percent of women. Similarly, 5.5 percent of men reported eating breakfast and 5.8 percent reported eating dinner away from home between five and seven times a week, compared with 3.5 percent and 4.0 percent, respectively, for women.

Dining out declines with age, increases with income

When age and household income are considered in dining-out frequency, some notable patterns emerge. The average number of meals eaten away from home in a week decreases after age 24 and increases with household income.

People between 8 and 24 years old consumed an average of 5 meals away from home in a week. Much of the consumption for those between 8 and 12 and those between 13 and 17 is at lunch, when they consumed an average of 3.6 and 3.7 lunches, respectively, away from home—probably in school cafeterias. For young adults between 18 and 24, consumption patterns changed slightly from those of the pre-teen and teenage set, as this group consumed 2.6 lunches and 1.7 dinners away from home. Young adults consumed, on aver-

To order the report

For those interested in additional information about individual meal-consumption behavior, a detailed report that examines the eating patterns of various demographic segments of the population is available. *Meal Consumption Behavior* (publication CS100) presents an in-depth analysis of meal-consumption behavior by age, sex, household income and other demographic factors.

The report is available to association members for $25 and to nonmembers for $50. This includes shipping and handling charges. (Overseas orders require a 20 percent surcharge.) All orders must be prepaid.

You may order by sending a check or money order to the National Restaurant Association Publications Department, 1200 Seventeenth Street, NW, Washington DC 20036-3097. For credit-card orders, call the association's Information Service and Library at (202) 331-5960 or (800) 424-5156 between 9 a.m. and 5 p.m. Eastern time.

age, the highest number of lunches and dinners away from home in a week.

Average weekly consumption of both lunch and dinner away from home drops after age 24 and, for the most part, continues to decline with age. Adults between 25 and 34 years old, for example, consumed a lower 2.1 lunches and 1.3 dinners away from home in a week. Among the oldest age group, adults 65 years old and older, an average of 1.0 lunches and dinners were consumed away from home in a week.

Household income also plays a significant role in away-from-home meal consumption. Individuals in households in the lowest income category (those with annual income below $15,000 a year) consumed an average of 3.1 meals away from home in a week—0.6 breakfasts, 1.7 lunches and 0.8 dinners. Individuals living in households in the highest income category ($75,000 a year and more) consumed the largest number of meals (4.9) away from home—0.7 breakfasts, 2.6 lunches and 1.7 dinners.

While the average number of breakfasts eaten away from home is relatively steady among all income categories, away-from-home consumption of both lunch and dinner increases with income. This is not surprising, since these later meals tend to have higher check averages than breakfast; therefore households with higher incomes might better be able to afford them on a more frequent basis. Households with lower incomes might consider dining out for lunch and dinner more of a luxury.

—Nancy Michalski

New industry operations report released

The National Restaurant Association's Restaurant Industry Operations Report—1991 *offers restaurateurs a chance to compare their operations with those of a similar profile. The new study, which was conducted jointly by the association and the national accounting firm of Deloitte & Touche, is based on 1990 information collected from 1,270 restaurant operators.*

An abundance of financial and operating information is contained in the National Restaurant Association's *Restaurant Industry Operations Report—1991*. The study contains specific information for each of the following types of restaurants:

- full-menu tableservice
- limited-menu tableservice
- limited-menu, no tableservice (fast food) and
- cafeterias.

Operating results are expressed as amounts per seat and as ratios of total sales—the most common bases used in the industry. The study details such information as sales (by food and beverage), cost of sales, gross profit, controllable expenses, occupancy costs, restaurant profit and pretax income.

Also provided are seat turnover rates, average check size, cost per dollar of sales, and analysis of employment. (Analysis of employment includes employees per seat, sales per employee, and the number of part-time versus full-time workers.) These data are reported by operational characteristics such as affiliation, menu theme and sales volume. The report includes amount-per-square-foot data covering sales and profits, as well as occupancy and utility expenses.

New utility data

This year's *Restaurant Industry Operations Report* contains a variety of new information on restaurant utility expenses. For the first time, a detailed breakdown of utility costs (including electricity, gas, water and waste-removal expenses) is presented on an amount-per-seat basis and a per-square-foot basis for the four restaurant categories.

Survey results indicate that electricity costs accounted for the majority of utility costs at restaurants in 1990. For example, among full-menu tableservice survey respondents, median utility costs in 1990 were $186 per seat, or 3.2 percent as a ratio of total sales. Median electricity costs for respondents providing detailed utility data were $112

Thanks . . .

. . . to the association members who supplied data to make this report possible. Your cooperation is appreciated, and a complimentary copy of the report is on its way to you.

Median check per person for full-menu tableservice operations

Sales volume category	
Less than $500,000	$ 8.40
$500,000 to $999,999	9.50
$1,000,000 to $1,999,999	10.75
$2,000,000 or more	14.57
All restaurants	**$10.00**

Source: National Restaurant Association, *Restaurant Industry Operations Report—1991*

Median utility costs per seat for full-menu tableservice operations 1990

Electricity expenses represent the majority of utility costs

Electricity	$112
Gas	43
Water	16
Waste removal	14
Other	13
Total utility costs	**$186**

Source: National Restaurant Association, *Restaurant Industry Operations Report—1991*

per seat, the highest of the utility costs covered by the survey. Median gas costs were a lower $43 per seat.

An examination of utility costs at full-menu tableservice operations indicates these establishments posted a total utility cost of $6.16 per square foot in 1990. Median electrical costs were $3.56 per square foot, and median gas costs were $1.38 per square foot.

Limited-menu, no tableservice (fast food) operators posted the highest total utility costs among the four restaurant categories on a per-seat and square-foot basis: $239 per seat, or $7.67 per square foot. Median electricity and gas costs were $167 and $45 per seat, respectively.

The restaurant industry dollar, 1990

	Full-menu tableservice	Limited-menu tableservice	Limited-menu, no tableservice	Cafeteria
Where it came from				
Food sales	76.3	83.3	97.6	90.7
Beverage sales	20.2	15.8	2.0	3.2
Other income	3.5	0.9	0.4	6.1
Where it went				
Cost of food sold	27.3	27.6	33.1	31.1
Cost of beverage sold	5.4	3.9	0.5	0.9
Payroll	28.8	26.6	23.9	29.7
Employee benefits	4.3	3.6	2.5	2.6
Direct operating expenses	6.2	6.2	6.1	6.2
Music and entertainment	0.7	0.3	0.1	0.1
Advertising and promotion	2.4	3.5	5.7	2.0
Utilities	2.8	2.8	3.6	2.8
Administrative and general	4.1	3.0	2.4	3.2
Repairs and maintenance	2.1	1.9	2.1	1.5
Rent	4.2	6.6	5.6	4.4
Property taxes	0.7	0.6	0.3	0.4
Other taxes	0.6	0.4	0.8	0.2
Property insurance	1.0	0.8	1.1	0.7
Interest	1.2	0.6	0.6	0.5
Depreciation	2.3	2.1	3.0	3.7
Other deductions	0.3	0.4	0.2	0.2
Corporate overhead	1.7	3.0	0.9	4.4
Net income before income taxes	3.9	6.1	7.5	5.4

Note: *All figures were weighted averages.*
Source: National Restaurant Association, *Restaurant Industry Operations Report—1991*

Waste removal costs

For the first time the *Restaurant Industry Operations Report* contains data on the costs of waste removal. Expenses captured under waste removal include the cost of garbage, rubbish-waste-matter disposal and incinerator expenses. These waste-removal services are often provided under contract to the restaurant.

Analysis of operations survey data reveals that fast food restaurants experienced the highest waste-removal expenses on both a per-seat and square-footage basis. Fast food survey respondents reported a median waste-removal expenditure in 1990 of $16 per seat, or $0.51 per square foot. In comparison, full-menu tableservice operators posted a somewhat lower median waste-removal expense of $14 per seat, or $0.48 per square foot.

The report provides additional data on waste-removal expenses by parameters such as restaurant location, sales volume and type of establishment.

Other highlights

□ **Full-menu tableservice.** In 1990 the median check per person for full-menu tableservice restaurants was $10.00—considerably higher than for other types of establishments covered in this study. This reflects the higher-priced menus at these establishments and the fact that many full-menu tableservice restaurants serve alcoholic beverages.

Median food sales were $4,418 per seat. Alcoholic beverage sales accounted for $1,177 per seat. Average daily seat turnover was 1.3.

□ **Limited-menu tableservice.** The median check among limited-menu tableservice respondents was $6.59 in 1990, with an average daily seat turnover of 1.7. Median food sales were $3,995 per seat, and alcoholic-beverage sales represented $596 per seat. Median sales per full-time-equivalent employee were $31,108.

□ **Limited-menu, no tableservice.** Limited-menu, no tableservice (fast food) survey participants reported an average daily seat turnover of 3.7 in 1990—the highest among the four restaurant categories covered by the study. Median food sales were $6,305. Median annual sales per full-time-equivalent employee in 1990 were $33,184.

—Hudson Riehle

How to order the report

A copy of the *Restaurant Industry Operations Report—1991* (publication CS951) is available to association members for $39 and to nonmembers for $72. This includes shipping and handling charges. (Overseas orders require a 20 percent surcharge.) All orders must be prepaid.

You may order by sending a check or money order to the National Restaurant Association Publications Department, 1200 Seventeenth Street, NW, Washington DC 20036. For credit-card orders, call the association's Information Service and Library between 9 a.m. and 5 p.m. (Eastern time) at (800) 424-5156 or (202) 331-5960.

Foodservice Market Measure

July 1991

After easing in June, foodservice patronage picked up again in July, as 52 percent of adults reported they were foodservice patrons on a typical day, according to the Foodservice Market Measure. Moreover, patronage was significantly higher than last year's 45 percent level for July, which has been pinpointed as the initial month of the recession.

Despite the fact that total employment declined by nearly 2 percent between July 1990 and July 1991, the proportion of adults who were lunch patrons on a typical day posted a significant gain, from 22 percent to 27 percent. The proportions of adults who were dinner and breakfast patrons on a typical day this July were identical to a year earlier.

Although the proportion of adults who were on-premises customers showed little change in July 1991 versus July 1990, there was a significant gain in patronage for takeout or delivered meals. Boosted by a gain in lunch, off-premises patronage on a typical day reached 23 percent in July 1991, up from 19 percent a year earlier.

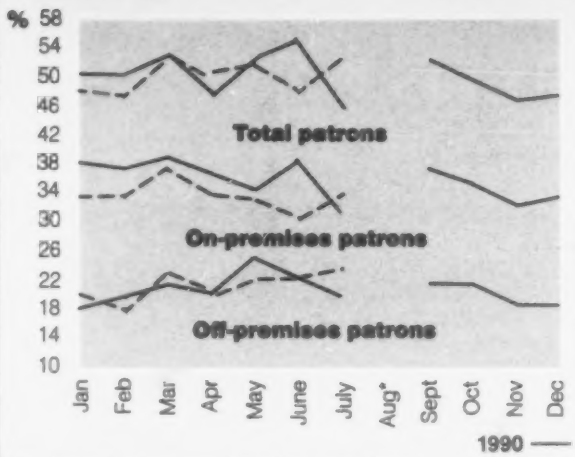
Another indication of improvement this July is that 11 percent of adults reported that they were foodservice patrons for more than one meal a day, up significantly from just 6 percent a year ago.

Will patronage continue to maintain the improvement seen in July? It is encouraging that the strength in patronage was evident for consumers with incomes below $20,000, and among those in the $20,000 to $40,000 category—as well as among those with higher incomes. Nevertheless, concern among consumers regarding employment conditions continues to hold down consumer confidence, which actually declined in July.

The July increase in foodservice patronage appears to be a regional one, with consumers in the South and the Midwest reporting gains, while consumers in the East and West showed no increase in patronage.

—Susan Mills

Percent of adults who were foodservice patrons



*No Market Measure was fielded in August 1990.

Source: National Restaurant Association Gallup Survey

Percent of adults who were foodservice patrons on a typical day

	Jan.–June 1991	July 1990	July 1991	Percentage point change
Male	52%	47%	55%	+8
Female	47	43	49	+6
White	48	45	53	+8
Nonwhite	54	46	47	+1
Age				
18 to 24 years old	62	63	59	−4
25 to 34 years old	54	47	55	+8
35 to 44 years old	51	43	60	+17
45 to 54 years old	49	57	50	−7
55 to 64 years old	42	30	47	+17
65 and older	34	31	37	+6
Income				
$40,000 or more	56	54	54	—
$20,000 to $39,999	47	44	54	+10
Less than $20,000	44	39	53	+14
Region				
East	48	48	49	+1
Midwest	49	41	57	+16
South	50	43	54	+11
West	50	49	46	−3

Source: National Restaurant Association Gallup Survey

Percent of adults who were foodservice patrons on a typical day

	Jan.–June 1991	July 1990	July 1991
On premise	33%	31%	33%
Off premise	21	19	23
Meal period			
Breakfast	6	6	6
Lunch	25	22	27
Dinner	24	23	23

Source: National Restaurant Association Gallup Survey

Foodservice Market Measure

The Foodservice Market Measure is based on 1,000 telephone interviews, conducted by the Gallup Organization each month, with a nationally representative sample of adults age 18 and older. Each person is asked the same questions:

1. Which of the following did you do yesterday?

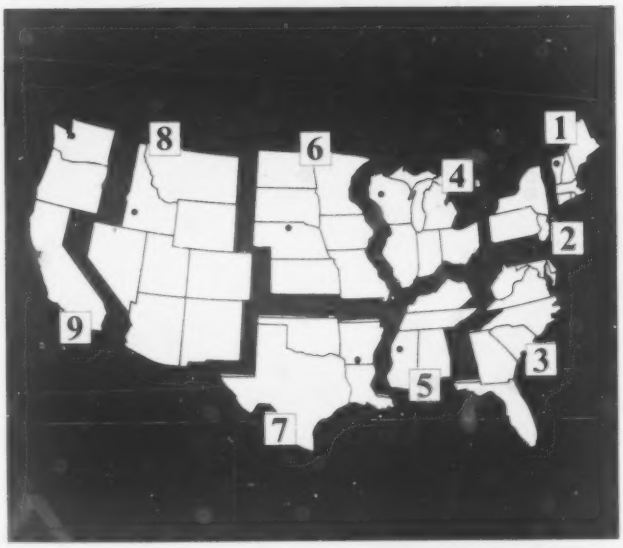
□ Ate on the premises of a restaurant, fast food place, cafeteria or any other place where you purchased a meal or snack.

□ Purchased takeout food "to go" or had it delivered.

2. Was the food you ate on premises yesterday for breakfast, lunch, dinner or a snack?

3. Was the takeout food you purchased or had delivered for breakfast, lunch, dinner or a snack?

The monthly tracking of purchases is supplemented by quarterly inquiries on topics of industry interest.



1 NEW ENGLAND

Location: Stowe, VT
Association member: Peter Bartholomew
Operation: Stowehof Inn
Profile: Upscale resort restaurant
In business: 42 years
Seats: 100
Meals served: Breakfast, dinner; weekend lunch

Business at the Stowehof Inn seems to be climbing out of a deep valley that hit bottom in 1990. The restaurant, called the Season's Dining Room, is part of the Stowehof resort hotel in the Green Mountains of Vermont.

Hotel business remains down over last year, but the restaurant is busier than it was a year ago, according to general manager **David Carter.** Well over 90 percent of the restaurant's business comes from hotel guests and other tourists.

The biggest crowds come during the winter skiing season and the changing of the colors in the fall. Stowe's year-round population is only 3,500, with most of those people working in the tourism industry.

The Stowehof's upscale menu of seafood, salmon, veal and other entrees changes at least twice each week to give hotel guests a variety of menu choices.

2 MID-ATLANTIC

Location: Amagansett, NY
Association members: Andrea and Fred Terry, Paul De Angelis
Operation: Lobster Roll Restaurant
Profile: Casual seafood restaurant
In business: 26 years
Seats: 150
Meals served: Lunch, dinner

Keeping up with a changing customer base has helped the Lobster Roll Restaurant remain successful on eastern Long Island. Because many families now inhabit the Hamptons resort area, the restaurant has incorporated a children's menu and worked harder on service.

"Kids can get a peanut butter and jelly sandwich off the kids' menu, and their parents can have a $13.95 swordfish dinner," explains co-owner **Andrea Terry.** "People like it because they can take their kids out and not get hit with a big plate charge.

"People are much more conscious of service these days," adds Terry. "If the food is mediocre and the service is excellent, the customer will come back. But if the service is poor, they won't give you a second chance."

The high-volume seafood restaurant got its name from its signature item—a toasted bun topped with lobster salad. But many regulars simply refer to the restaurant as "Lunch's" because of the large, 25-year-old "Lunch" sign on the roof. The Terrys have capitalized on this by placing the "Lunch" logo in all advertising.

3 SOUTH ATLANTIC

Location: Mt. Pleasant, SC
Association member: Joel Plotkin
Operation: Fonduely Yours
Profile: Casual fondue
In business: 6 months
Seats: 120
Meal served: Dinner

The owners of the recently opened Fonduely Yours hope that their innovative concept will be a big hit among local residents, rather than just tourists. So far, they've met with success, says manager **Pat Latta.**

The restaurant, located about three miles from the ocean, serves food strictly fondue style. Chicken, seafood and beef are popular items to dip in the four sauces—horseradish, barbecue, honey mustard and sweet-and-sour. Latta says the only other fondue restaurant in South Carolina is nearly two hours away. The dining area is partitioned off to provide a more private meal.

"The first time they come here is for the novelty. After that, they come back for the great staff and the food," says Latta. He notes that many customers enjoy the nostalgia of eating fondue. "A lot of people think of fondue as an old fad that has died out, but we feel it's making a comeback," says Latta.

4 EAST NORTH CENTRAL

Location: Chippewa Falls, WI
Association member: Thomas Cooper
Operation: Water's Edge Supper Club
Profile: Upscale restaurant
In business: 10 months
Seats: 250
Meals served: Lunch, dinner

With the area economy hurting from a double dose of bad luck, the inaugural year for the Water's Edge Supper Club has been a rocky one. The many dairy farmers in the area have seen their prices drop, and a large nearby factory is closing its doors.

"You can definitely see things are slower now," explains owner **Thomas Cooper.** "People are much more price conscious."

To attract those budget-minded customers, the restaurant has introduced several daily specials and combination dinners, such as prime rib and crab legs, for a lower price. For lunch, the restaurant now offers soup and sandwich specials.

Since taking over the Water's Edge in 1990, Cooper has tried to brighten the furnishings. He has also expanded the menu and created a more upscale atmosphere.

5 EAST SOUTH CENTRAL

Location: Greenwood, MS
Assocation member: Travis Clark
Operation: L & L Catfish and Steak House
Profile: Family restaurant

In business: 1 year
Seats: 86
Meal served: Dinner

Opening a new catfish restaurant in the heart of America's catfish-growing region was a gamble for **Travis Clark.** But so far, the gamble has paid off.

"Our business has gradually increased ever since we moved in here last year," says Clark, who may soon open the restaurant for lunch.

According to Clark, 83 percent of his business comes from the popular all-you-can-eat catfish buffet. For $5.95, customers can choose from fried catfish, corn on the cob, french fries, hush puppies and other items.

A couple of months after opening in August 1990, Clark added broiled catfish to his menu because of customer requests. "In the future I think the broiled catfish will be a really strong item. I see more interest in it now, and people are more health conscious," says Clark.

6 WEST NORTH CENTRAL

Location: Bassett, NE
Association members: Richard and Genevieve Lackaff
Operation: Bassett Lodge and Range Cafe
Profile: Family restaurant
In business: 41 years
Seats: 65
Meals served: Lunch, dinner

Business is slowly improving at the Bassett Lodge and Range Cafe, mostly because cattle prices are creeping back up again. It may seem ironic that owners of a beef-specialty restaurant would hope for higher beef prices. But to the economy of this tiny north central Nebraska town of 950 people, ranching is king.

"We would rather see the economy improve than worry about the cost of our product," says owner **Richard Lackaff,** who is a rancher himself. "It doesn't do us any good if the customer can't afford to buy a meal."

Since 1950, the Lackaff family has tended to cattle and run the 30-room hotel and adjoining cafe. The population of Bassett, and thus the amount of restaurant business, declined throughout the 1980s as the economy slowed.

The cafe, which competes with one other eatery in town, features homestyle cooking at a popular Sunday buffet and daily noon specials. A mural of a cattle drive covers one wall, while antiques and other furnishings add to the Old West flavor. Staffing is a constant concern at the cafe. According to assistant manager **Sue Larson,** "There's not a long line of people looking for work right now. I guess that's a good thing and also a bad thing."

7 WEST SOUTH CENTRAL

Location: Smackover, AR
Association member: Lee Williams
Operation: Oil Town Restaurant
Profile: Family restaurant
In business: 1½ years
Seats: 42
Meals served: Breakfast, lunch

The second summer at the Oil Town Restaurant was surprisingly busy, in part because hamburgers and a kids' special were added to the menu. "Usually it's slow when school is out and vacations are going on, but we were delighted this summer," says owner **Lee Williams.** "I expected the same amount of business I had last summer, but I was pleasantly surprised."

The restaurant, which features health items such as a salad bar and baked potato bar, has introduced a hamburger to the menu this year by popular demand. In addition, a children's summer special of a hot dog and a soda for 99 cents was well received.

On the walls of the restaurant, rustic pictures tell the story of this Southern oil town. The economy of the area fluctuates with the price of oil and is currently slumping.

Oil Town competes with one other restaurant in the south central Arkansas town of 2,000 people. Williams sees an advantage in the fact that her restaurant is located next to the only traffic light in Smackover.

8 MOUNTAIN

Location: Boise, ID
Association member: Lee Rivas
Operation: Heartbreak Cafe
Profile: Upscale restaurant
In business: 6 years
Seats: 270
Meals served: Lunch, dinner

A well-established clientele and business from nearby Boise State University keep a steady flow of business coming into the Heartbreak Cafe. August, as expected, was a slow month because of vacation time and the absence of college students.

The restaurant uses drink specials, promotion nights and daily entree specials to attract new customers. "Our menu is always changing. The base of the menu is always the same, but we have seven or eight items we prepare each night as specials," explains manager **Jay Lyon.**

Heartbreak Cafe attracts a variety of customers by creating two separate atmospheres in one restaurant. The elegant main dining room features white tablecloths and pillars in an art deco style. Brick walls, a casual setting and a menu of lower-priced items are found in the bar area.

9 PACIFIC

Location: Maple Valley, WA
Association member: Jennie Brown
Operation: Caruso's Wilderness Inn
Profile: Family restaurant
In business: 14 years
Seats: 60
Meals served: Breakfast, lunch, dinner

"We were in a slump during the winter, like most restaurants," explains **Nancy Braase** of Caruso's Wilderness Inn. "But we're pulling out of it now."

Business at Caruso's, located 30 miles east of Seattle on the highway to Mount Rainier, has also been hurt by the depressed logging industry in the Northwest. But the family restaurant remains successful because of a loyal pack of regulars and hungry tourists on their way to the mountain. In fact, Braase estimates that 35 to 40 percent of the customers are tourists.

The small family eatery serves all three meals, with each including lower-priced special items and seniors' discounts. Seafood and steaks are two signature items for the roadside restaurant.

—Pat DiDomenico

The sword in the sandwich?

One Illinois eating place has turned to a very old way to entertain its customers in a daring and different manner: It offers jousting and sword fights as mealtime entertainment.

Medieval Times Dinner and Tournament Inc. recently launched an adventure in nightly dining that truly is an adventure of the knightly sort. The 84,500-square-foot dinner and tournament complex is modeled after an 11th-century Spanish castle, complete with turrets, towers and a drawbridge.

The restaurant's indoor arena hosts knights on horseback competing in tournament games, sword fights and jousting matches, while a battalion of patrons—1,400 strong—feasts on a hearty, medieval-style banquet.

—DeFrancesco Goodfriend Public Relations

Words for the wines

Is that perfect word to describe your sparkling wine caught on the tip of your tongue? Now you no longer need grope for grape descriptions. All it takes is a spin of the wheel.

The Sparkling Wine Aroma Wheel, invented by winemaker Patricia Howe and enology professor Ann Noble, helps operators, chefs and sommeliers find scintillating descriptions to perk up wine merchandising and appreciation. The inventors, believing that few people ever get past hackneyed phrases such as "toasty," "fruity" and "yeasty," developed a wheel that breaks down general wine adjectives into more specific and concrete sensual descriptions. "Fruity," for instance, can be reduced to "citrus," "berry," "melon" and other terms. These terms can then be broken down even further into individual fruit decriptions.

The Aroma Wheel contains a variety of terms large enough that no sparkling wine connoisseur will ever be at a loss for words.

—Food Arts

The benefits of benefits

Some employers assume that fair salaries will draw loyal employees, but according to a recent Gallup survey commissioned by the Employee Benefit Research Institute in Washington DC, salaries alone do not make jobs attractive—benefits count, too.

Eighty-four percent of the 1,000 people surveyed ranked benefits as an important issue in choosing a job, and 52 percent of respondents said that when choosing between jobs they would require a median of $10,000 more per year to make up for the lack of benefits in a job offer. Sixty-four percent of those surveyed said they would turn down a position without benefits, and 43 percent reported that they would look elsewhere if a job offered no pension plan.

—Entrepreneur

A doughnut development

Not since the advent of dunking has a development excited the doughnut industry as much as Warren Foster's new "almost-finished doughnut."

Foster, the CEO of the Foster's Family Donuts chain in Simi Valley, California, has taken doughnut-making one step further by devising a partially made doughnut that can sit at room temperature—shrink-wrapped and sterile—for up to 10 days. Operators can complete the cooking process of frying and glazing in about 3 minutes, enabling customers to savor hot doughnuts throughout the day without a long wait.

—Fortune

Snack food snafu

To help ease its hefty deficit, the state of California has authorized a new tax on snack foods. But "snack" seems difficult to define, even for the state legislature.

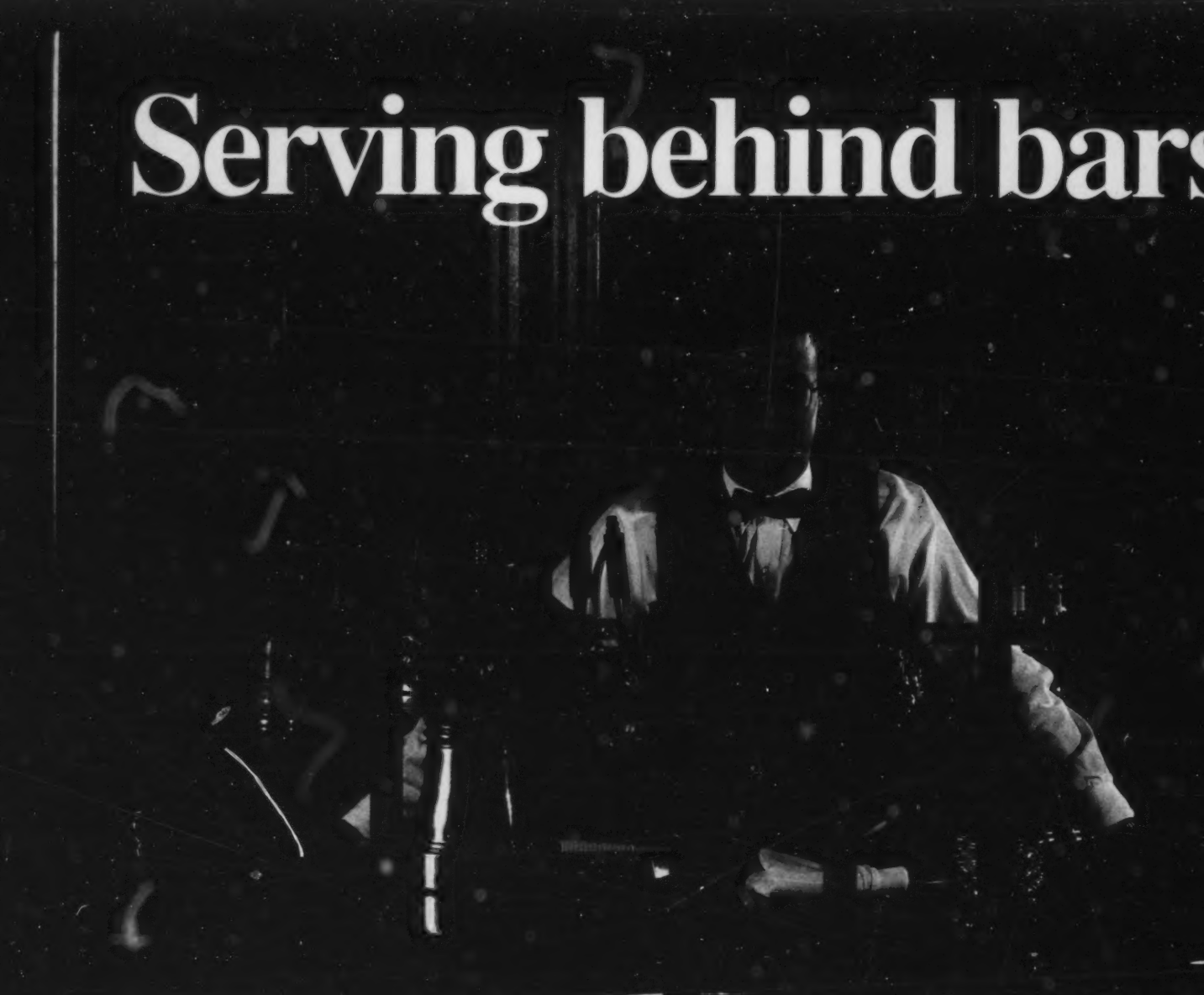
Taxability can depend on form. A bag of chocolate chips is tax free, but chips in cookies will cost you more. Peanuts are not taxed unless they're in a box of Cracker Jack.

For other "snack" items, it's a question of usage. Glazed fruit, for example, is taxed when sold as snacking candy but not when it's a baking ingredient to make future snacks.

For most snack-like foods, however, taxability seems largely a matter of arbitrary interpretation. A brownie, according to the legislature, is taxed as a "snack cake." Meanwhile, a bread, pastry or bakery item—such as a muffin or a doughnut—is tax free. And a bag of greasy, salty pork rinds escapes taxation for its special merits—it's a meat derivative.

—Wall Street Journal

Serving behind bars



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